

ANNUAL REPORT 2008



Aeroporti di Roma Società per Azioni

Registered office in Fiumicino (Rome) - Via dell'Aeroporto di Fiumicino, 320

Fully paid-in capital stock: € 62,309,801

“Company managed and coordinated” by Gemina S.p.A.

www.adr.it

Aeroporti di Roma S.p.A.

Board of Directors (2007-2009)

(after the General Meetings of September 21, 2007 and April 16, 2008 and the Board of Directors' Meeting of September 21, 2007, March 11, 2008, April 16, 2008, December 5, 2008 and March 11, 2009)

Chairman	Fabrizio Palenzona
Deputy Chairman	Massimo Pini
Deputy Executive Chairman	Guido Angiolini <i>(from April 16, 2008 until December 5, 2008)</i>
Managing Director	Guido Angiolini <i>(from December 5, 2008)</i> Maurizio Basile <i>(until April 16, 2008)</i>
Directors	Guido Angiolini <i>(until April 16, 2008)</i> Valerio Bellamoli <i>(from March 11, 2009)</i> Stefano Cao <i>(from March 11, 2009)</i> Giovanni Castellucci <i>(from March 11, 2008 until March 11, 2009)</i> Alessandro Grimaldi Gianni Mion <i>(until March 11, 2009)</i> Aldo Minucci Andrea Mondello <i>(from January 9, 2008)</i> Piergiorgio Peluso Clemente Rebecchini Paolo Roverato Claudio Sposito <i>(until February 27, 2008)</i> Marco Troncone <i>(from March 11, 2009)</i>
Secretary	Antonio Abbate

Board of Statutory Auditors (2007-2009)

(after the General Meeting of April 16, 2007)

Chairman Giacinto Chimenti

Statutory Auditors Giuseppe Cappella
Alessandro Grange
Mario Tonucci
Luigi Tripodo

Alternate Auditors Nicola Lorito
Andrea Piermartini Rosi

General Manager Franco Candido Giudice *(from December 5, 2008)*
Maurizio Basile *(until April 16, 2008)*

Independent Auditors Deloitte & Touche S.p.A.

AGENDA - ADR SPA

Notice is hereby given to Shareholders of the Ordinary General Meeting to be held at the Hilton Rome Airport hotel, Via Arturo Ferrarin 2, Fiumicino (Rome) at 10.30am on April 15, 2009, in first call, and, if necessary, in second call, on April 16, 2009 at the same time and place, to discuss the following

Agenda

1. Annual Report 2008 and related and consequent resolutions.
2. Appointment of Directors.

Notice of call has been published in the Italian Gazette of the Italian Republic no. 34, Part II, of March 24, 2009.



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**MANAGEMENT
REPORT ON
OPERATIONS**



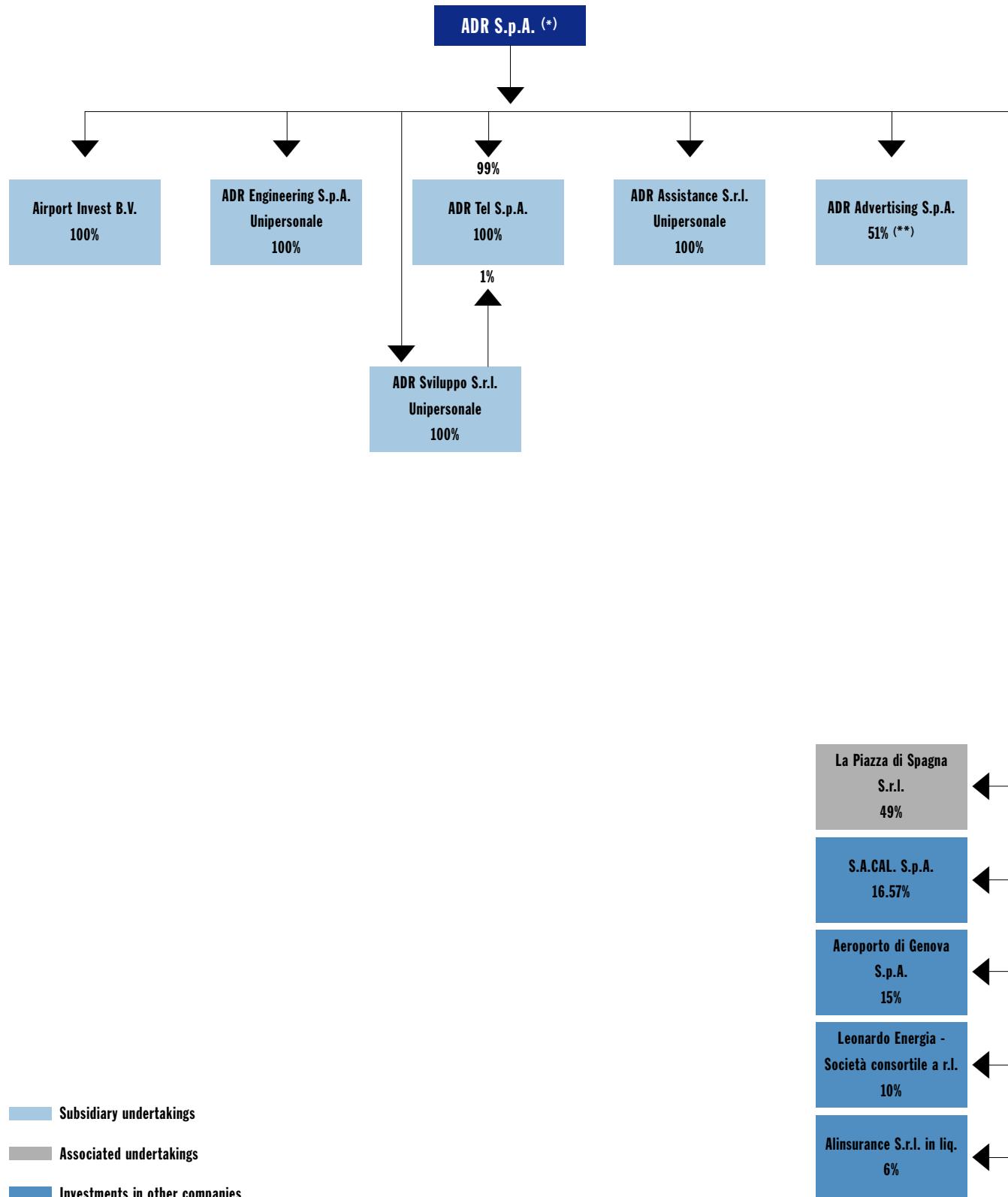
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The ADR Group.



Highlights.

The following table summarizes main traffic data for 2008 for Rome's airport system and shows changes with respect to 2007.

Traffic performance.

Traffic component	System ^(*)	Change %
<i>^(*) Fiumicino + Ciampino.</i>		
Movements (no.)	406,001	+1.4%
Aircraft tonnage (tons)	29,846,692	+5.5%
Total passengers (no.)	40,018,165	+4.4%
Total cargo (kg)	157,062,189	+2.2%

The following table summarizes key economic, financial and operational data for the Aeroporti di Roma Group (ADR Group) for 2008.

ADR Group.

Key consolidated economic, financial and operational data (in thousand of euros)	2008	2007
Revenues	570,132	556,616
EBITDA	249,555	256,335
EBIT	96,342	144,345
Net income:		
– Minority interest	605	1,027
– Group share	(8,271)	17,891
Investments	111,702	85,440
	12.31.2008	12.31.2007
Invested capital	2,046,297	2,055,473
Shareholders' equity (including minority interest)	724,351	733,039
Group shareholders' equity	722,797	731,068
Net debt	1,321,946	1,322,434
Headcount at year end (no.)	2,568	2,321

MANAGEMENT REPORT ON OPERATIONS - ADR GROUP

Ratios	2008	2007
EBITDA/Revenues	43.8%	46.1%
ROS (EBIT/Revenues)	16.9%	25.9%
ROI (EBIT/Average invested capital)	4.7%	6.9%
ROE (Net income/Average shareholder's equity)	-0.4%	0.9%
Net earnings per share (in Euros)	(0.1)	0.3
Group shareholders' equity per share (in Euros)	11.6	11.7
Net borrowing/Shareholders' equity	1.8	1.8
Net borrowing/EBITDA	5.3	5.2
Financial expenses/Revenues	14.3%	14.1%
Shareholder's equity/Fixed assets	33.0%	34.0%
Investments per passenger (in Euros)	3	2
Accounts receivable turnover (average turnover of accounts receivable/revenues x 365 days)	99	91
Accounts payable turnover (average turnover of accounts payable/costs and investments x 365 days)	176	184
Average revenue per passenger (in Euros)	14	15
Average revenues per employee (in thousand of euros)	245	242
No. of passengers/average headcount	17,196	16,656

The following table summarizes key economic, financial and operational data for 2008 for Aeroporti di Roma S.p.A. (ADR S.p.A.).

ADR S.p.A.

Key economic, financial and operational data (in thousand of euros)	2008	2007
Revenues	565,692	549,038
EBITDA	247,813	252,755
EBIT	95,419	140,850
Net income	(7,048)	18,932
Investments	109,918	86,693

	12.31.2008	12.31.2007
Invested capital	2,088,940	2,090,653
Shareholders' equity	759,344	766,392
Net debt	1,329,596	1,324,261
Headcount at year end (no.)	2,236	2,253

	2008	2007
Ratios		
EBITDA/Revenues	43.8%	46.0%
ROS (EBIT/Revenues)	16.9%	25.7%
ROI (EBIT/Average invested capital)	4.6%	6.6%
ROE (Net income/Average shareholder's equity)	-0.3%	0.9%
Net earnings per share (in Euros)	(0.1)	0.3

Shareholders' equity per share (in Euros)	12.2	12.3
Net borrowing/Shareholders' equity	1.8	1.7
Net borrowing/EBITDA	5.4	5.2
Financial expenses/Revenues	0.8%	0.1%
Shareholder's equity/Fixed assets	34.0%	35.0%
Investments per passenger (in Euros)	3	2

Accounts receivable turnover (average turnover of accounts receivable/revenues x 365 days)	99	91
Accounts payable turnover (average turnover of accounts payable/costs and investments x 365 days)	182	187
Average revenue per passenger (in Euros)	14	14
Average revenues per employee (in thousand of euros)	264	246
No. of passengers/average headcount	18,666	17,165

Group operating review.

*(Translation from
the original issued
in Italian)*

Introduction.

Dear Shareholders,

The ADR Group posted quite a mixed performance in 2008.

The situation in the first half of the year, which saw traffic growth (partly on the back of Alitalia's reallocation of 32 daily flights to Fiumicino) and an economic climate marked by sharp inflationary trends, steeply rising energy costs and interest

rates, went through a complete U-turn in the second half of the year. Indeed, this abrupt about-face, which was triggered by the escalation of the Alitalia crisis and boosted by the first substantial repercussions of the enduring international financial crisis on the real economy, gave rise in the second half of the year to a new economic climate and marketplace that was radically different from the prevailing situation in the first half of the year, even though only a few months had gone by.

Indeed, the combined effect of the global economic downturn and the Alitalia crisis, both of which became more acute in the last quarter of the year, had an impact on the ADR Group's year-end results.

For example, thanks to Alitalia's reallocation of flights to Fiumicino, 11 million passenger movements were registered in the second quarter, reaching a peak of 12 million in the third quarter and then falling back to 8.8 million in the fourth quarter. In December, passenger traffic decreased by 6.1% compared with the same month in 2007, thus bringing the growth figure for the whole of 2008 to 4.4% compared with the previous year.

As well as impacting operational volumes, Alitalia group's entering into special administration led to growing financial tension due to substantial freezing of outstanding receivables. Indeed, at December 31, 2008 receivables due to ADR from the Alitalia group totaled 86 million euros, equivalent to five months' turnover.

ADR group revenues amounted to 570.1 million euros, up 2.4% on 2007, due to the combined effect of a contraction in aviation revenues (down 0.6%), which on a like-for-like base – namely without taking account of the effects of the withdrawal from ramp and passenger handling activities at the end of 2007 – grew by 5.9%, and an increase in non-aviation revenues (up 5.8%), despite the increasing weakness of sterling and the dollar.

In particular, special attention was paid to product improvement in the “direct retail” segment and the “food & beverage” segment was upgraded, which offset the difficulties experienced in the airports’ luxury segment.

Real estate activities included completion of the second office building – with more than 60% of the new available spaces rented out – and an agreement with the Italian Post Office to build a new automatic mail sorting facility, which will double the operating capacity of the current sorting office. The Italian Post Office will thus concentrate a series of activities that were previously carried out at various locations in the Rome area at Fiumicino.

Investments carried out amounted to 111.7 million euros, up on the 85.4 million euros reported in 2007 but falling short of the budget forecast due to the slowdown in the last part of the year arising from the previously mentioned financial tensions connected with the Alitalia crisis.

The main initiatives include the launch of works on the new Pier C, designed to receive 5 million passengers, the construction of a new baggage handling (BHS) and completion of the new Terminal 5. Thanks to the investments carried out, especially the new Terminal 5 designed for outgoing so-called “sensitive flights”, together with a review of certain operating processes, it was possible to manage capacity saturation during the peak summer period (with daily passenger numbers frequently in excess of 125,000) without any notable malfunctioning or inconvenience for customers. Interruptions of the BHS (Baggage Handling System) were down 47.4% on the previous year, and delayed take-offs of aircraft caused by saturation problems were significantly reduced, partly due to the effective collaboration between the airport operator and ENAV (Air Traffic Control Authority).

An agreement was signed with Changi Airports International Pte. Ltd, which operates one of the world’s most modern airports, regarding the drawing up of a long-term development plan for the Roman airport system.

The Civil Aviation Authority made ADR S.p.A. responsible for the preparation of a master plan for Viterbo airport, which will deal with issues specifically relating to promoting demand, as well as determining infrastructure capacity and its location in the surrounding area.

On completion of this phase, the authorities will be responsible for implementing the phases of granting the concession and raising funds for all the necessary complementary and ancillary works for the new airport, especially regarding means of access and communication.

Despite the volume of investments carried out and growing pressures on working capital in the second half of the year, the ADR Group’s net debt, amounting to 1,321.9 million euros, is substantially in line with the corresponding figure reported at the end of 2007 (1,322.4 million euros). Also in 2008, and especially during the first half of the



year, actions were carried out aimed at rationalizing the debt structure, improving existing conditions and reducing the gross amount of borrowings.

In particular, at the beginning of June ADR S.p.A. took out a 10-year, 80 million euros loan from the European Investment Bank (EIB), guaranteed by Banca Infrastrutture Innovazione e Sviluppo (BIIS), in support of the Company's investment plan. At the end of the previous quarter, medium-/long-term borrowings amounting to 99.3 million euros were paid off in advance.

Background.

Analysis of economic trends.

The global economy declined rapidly in 2008, especially in the last quarter, as the Italian and other European economies began to feel the consequences of the deep – albeit unofficial – USA recession, the shock provoked by rocketing commodity prices (first and foremost oil), rising interest rates caused by the liquidity crisis, the bursting of the real estate bubble (including in many EU countries) and the sharp appreciation of the euro.

In the second half of 2008, the negative repercussions of these events on growth became immediately apparent, with rising consumer prices and a slowdown in European and Italian GDP.

Collapsing financial markets, following the bankruptcy of Lehman Brothers, together with the impacts on consumer and business confidence and spending behavior, accentuated the downturn in demand and production already underway, thereby putting back the prospect of a return to a growth scenario by several quarters.

The economic recession is even more serious, insofar as it affects all the major industrialized economies, both within and beyond the European Union.

Exports, which were still growing in September 2008, registered sharp declines almost everywhere in the last quarter: November figures show steep drops in Asia (China -14.5%; Korea -5%; Taiwan -18%), whilst in the United States they declined by 5.8% and in Germany by 10.6%. In Italy, ISTAT (National Statistics Office) reports a fall of 7.1% in trading outside the EU alone.

The crisis in the real estate sector is still deep and spreading. In November sales of new and existing houses declined sharply in the United States, and therefore the stock of unsold homes increased. House prices and demand are also falling steeply in many European countries, where the real estate boom was equivalent to or greater than in the United States. Prices have slumped especially in the United Kingdom and Spain, where the situation is compounded

by the strong impact of the construction sector on GDP. Italy has also been affected by these downturns, but to a lesser extent.

In the USA the economy saw further weakening and devaluation of the dollar against the euro, but the process of correcting the US trade deficit launched in previous years was slowed down by increased expenditure on oil, which rose from 1% to 3% of GDP (in 2002 and 2008, respectively).

In Europe the overall business activity index entered negative territory in June (the last time this happened was in June 2003). Indeed, contraction was registered by both the service sector (for the first time in five years) and the manufacturing sector (for the first time in three years).

A leading Italian research institute confirmed “the considerable stagnation of the Italian economy”: according to ISTAT findings, in the first quarter of 2008 GDP grew by 0.5% compared with the last quarter of 2007, and by 0.3% with respect to the first quarter of 2007. Domestic consumption fell back sharply in 2008: an increase of only 0.2%, on the 1.4% of 2007, is forecast. After the radical structural change that began on the back of innovation, quality, reorganization and new markets at the end of 2007, the confidence of Italy’s manufacturing sector was on the wane again in June as both domestic and overseas orders contracted.

The key economic indicators for the three-year period, 2006-2008, and projections for 2009, are shown in the following table. Given the risks overshadowing the global economy, the estimate for Italian GDP growth in 2009 has been revised down from +0.4% (in September 2008) to -0.5% (in October).

Confindustria Research Centre projections for Italy ^(*)	2006	2007	2008	2009
Gross domestic product (GDP)	1.8	1.5	(0.2)	(0.5)
Household consumption	1.1	1.4	(0.2)	(0.6)
Gross fixed investment	2.5	1.2	(1.3)	(1.9)
Exports of goods and services	6.2	5.0	2.2	1.8
Imports of goods and services	5.9	4.4	1.1	0.3
Balance of trade^(a)	(0.7)	0.2	0.1	1.4
Total employment (ALU)	1.7	1.0	0.6	0.0
Unemployment rate^(b)	6.8	6.1	6.8	7.3
Consumer prices	2.1	1.8	3.5	2.1
Total wage and salary income	3.0	2.1	3.8	2.7
Government primary surplus^(c)	1.3	3.1	2.6	2.7
Government borrowing^(c)	3.4	1.9	2.5	2.4
Government debt^(c)	106.5	104.0	103.8	104.4

^(*) Percentages, unless otherwise indicated.

^(a) Fob-fob,
as a percentage of GDP.

^(b) As a percentage.

^(c) As a percentage
of GDP.

Source: Confindustria
Research Center - CSC,
October 2008.

The air transport industry.

The global recession that set in during 2008 has undoubtedly hit the air transport industry, which saw a reversal of the trend reported in 2007, with a drop of 0.6% in terms of passengers transported, primarily driven by the domestic segment (down 2.6%). The best performers are certainly the Middle East (up 11.8%) and Africa (up 4.2%), followed by Central and South America with a rise of 1.9%. North America, however, reflecting the economic downturn,

⁽¹⁾ Source: ACI Pax
Flash Report,
December 2008.

2008 witnessed a steady decline in the major world economies, driven by the financial crisis that broke out in the USA. This factor, which began to bite hard in the second half of the year, including beyond America's borders, was followed by a commensurate overall weakening of the air transport industry.

In confirmation of the direct correlation between the state of the economy and the air transport industry, the cataclysmic drop in passenger numbers led IATA (International Air Transport Association) to predict a loss of around 5 billion dollars for the industry as a whole.

Compelling evidence came from the domestic sector in the United States, which registered an unprecedented reduction in capacity. This situation then spread to Europe and later Asia.

Even emerging markets, such as India and China, registered growth rates that were far lower than their recent track record, and in some cases even negative.

The crisis was exacerbated by the highly volatile oil price – which rose from 114 dollars a barrel at the beginning of the year to a peak of 180 dollars in July, then fell back to 54 dollars at the end of the year – and an overall decrease in airlines' average revenues, due to the reduction in the "Premium travellers" component (first and business class passengers).

Consequently, the high growth rates seen in the last quarter of 2007 rapidly vanished. On the one hand, the industry registered bankruptcies among the weakest carriers, including various low-cost airlines (such as Air Bee, Zoom Airlines, Sterling, Centralwings, etc.), and on the other, it responded with urgent measures to increase rationalization and improve efficiency, resulting in flight reductions.

Moreover, mergers and acquisitions were on the increase in various continents: for example, in North America, Delta and Northwest merged; in Europe an accelerating trend to aggregate small- and medium-sized companies within the three major alliances, led by British Airways (merger with Iberia being drawn up), the Air France-KLM group

(inclusion of Alitalia) and Lufthansa (acquisition of Brussels Airlines, BMI, Austrian Airlines, and a stake in SAS), was noted.

Measures aimed at saving major carriers through partial or complete nationalization were also implemented, in countries such as Argentina, the USA and China.

Regarding the drive to improve efficiency, the Airbus A380 entered service in the fleets of many carriers (in the wake of Singapore Airlines, the first company to use this aircraft as of 2007). Due to its features, it is designed for use on high density intercontinental routes.

Development programs were also stepped up regarding the use of second generation biofuels (derived from non-food crops that have no impact on the food supply chain) in the air transport industry. Test flights have already been carried out by Continental Airlines, Virgin Atlantic and Air New Zealand, showing airlines' growing interest in biofuel.

Whilst the process of fleet modernization and renovation continued, aimed at achieving overall reduction in emissions, consumption and costs, it should be pointed out that, in this climate of development, once again in 2008 both the global aircraft manufacturers – Airbus and Boeing – registered delays with respect to their estimated dates for delivery of new aircraft models.

In Europe growth in the air transport sector slowed down compared with the previous year to stand at -0.3%; the domestic and international segments registered -4.6% and +0.9%, respectively. Whilst continuing to achieve higher growth than the traditional full-service airlines, the low-cost segment registered the highest number of bankruptcies, with Sterling and Centralwings being the latest examples.

Consequently, the two carriers that may be defined as pan-European – easyJet and Ryanair – became even more predominant. However, in specific markets the following carriers are also important: Wizz Air for flights to/from central and eastern Europe; the Spanish alliance arising from the merger of Vueling and Clickair; and Air Berlin for flights to/from Germany.

In Italy 2008 witnessed the two main airlines – Alitalia and Air One – engaged in a difficult integration project, resulting in the birth of the new flagship carrier that started operating in mid-January 2009.

The low-cost business continued to expand, primarily driven by non-Italian carriers, whilst Italian carriers continue to be marked by significant fragmentation.

Legal and regulatory context.

“Thousand-Extensions Decree” of February 2008.

On February 29, 2008, Law no. 31 of February 28, 2008, “Conversion into law, with amendments, of Decree Law no. 248 of December 31, 2007 regarding extension of terms provided for by legal provisions and urgent financial measures”, was published in the Official Gazette.

The main provisions can be summarized as follows:

- granting of the airport concession: by amending the wording of art. 3, paragraph 2, of Legislative Decree no. 96 of May 9, 2005 (Revision of the aeronautical section of the Navigation Code), Decree Law no. 248/2007 introduces the possibility of functional delocalization of airport managements, including those withdrawn from the European tender regime for awarding airport concessions pursuant to art. 704 of the Navigation Code;
- airport fees: Decree Law no. 248/2007 stipulates that, until decrees to determine airport fees pursuant to art. 11-9, paragraph 1, of Decree Law no. 203/2005, converted into Law no. 248/2005, are issued, the Minister of Transport should issue a decree to align airport fees with the target inflation rate.

Airport fees.

On October 21, 2008, a Ministerial Decree of July 21, 2008 regarding the “Updating of airport fees” was published in the Official Gazette. This update aims to take account of the target inflation rate for 2008, which is forecast to be 1.7% in the economic and financial planning document (art. 1 of the Ministerial Decree).

The Decree came into force on November 20, 2008.

ADR has already appealed to the Lazio Regional Administrative Court to have this Decree annulled on the grounds that it should have fully complied with art. 21-*bis* of Decree Law no. 248/2007 converted into Law no. 31/2008 (the so-called “Thousand-extensions Decree”). This would have entailed increasing airport fees – which have not been raised since 2000 – by a percentage based on the fact that tariffs have not risen in line with the target inflation rate from 2001 to 2008 (thereby at least enabling operators to recover the loss of the purchasing power that would have accrued from the periodic revision of tariffs in line with the target inflation rate).

ADR has also contested the Decree on the grounds that the specific fees for Fiumicino and Ciampino, listed in Annex A of the Decree (of which it forms an integral part), are significantly lower than the airport fees stipulated pursuant to Ministerial Decree no. 140/T of November 14, 2000 (the latest revision), when they were raised by 1.7%.

Surcharge on boarding fees.

Law no. 166, which converts Decree Law no. 134/2008 regarding urgent measures to assist large companies in difficulty was published in no. 252 of the Official Gazette on October 27, 2008. The Law provides increase in the municipal surcharge on boarding fees up to 3 euros, which will be allocated to the income and employment fund.

Therefore, the municipal surcharge will be raised from the current 2.5 euros to 4.5 euros.

“Thousand-Extensions Decree” of December 2008 and airport fees.

On December 31, 2008, Decree Law no. 207 of December 30, 2008 regarding “Extension of terms provided for under urgent legislative and financial measures” was published in the Official Gazette.

Article 28, “Airport fees”, regards an amendment to art. 21-*bis* of Decree Law no. 248/2007 (converted into Law no. 31 of February 28, 2008), which extends the term for issuing interministerial decrees relating to the determination of airport fees (pursuant to art. 11-9, paragraph 1, of Law no. 248/2005) from December 31, 2008 to December 31, 2009.

Tariffs - freezing and reduction.

Decree Law no. 185 of November 29, 2008, the so-called “Anti-crisis package”, published in no. 280 of the Official Gazette of November 29, 2008 ahead of its conversion into law, provides for – as of the date of entry into force of the Decree until December 31, 2009 – suspension of the application of government regulations that authorize Government Authorities to issue directives regarding the revision of fees, subsidies or tariffs charged to physical or legal persons linked to the inflation rate or other automatic mechanisms, with the exception of measures aimed at merely recovering higher charges actually incurred, or regarding water supply tariffs.

Legal developments regarding the regulation of fees - Planning Agreement.

On January 7, 2008 the Civil Aviation Authority posted on its website the final version of the Guidelines that apply CIPE Directive no. 38/2007, which were also sent to the Ministry of Transport for subsequent approval procedures.

On February 14, 2008 the Guidelines were approved by Interministerial Decree no. 41/T issued by the Ministry of Transport and the Ministry of Economy and Finance, which has yet to be published in the Official Gazette.

On March 27, 2008 the CIPE resubmitted CIPE Directive no. 38/2007 regarding the airport system reorganization plan, in compliance with Constitutional Court sentence no. 51 of February 27, 2008, merely amending the directive’s wording.

The CIPE Directive of March 27, 2008, including the above amendment, was subsequently published in no. 128 of the Official Gazette on June 3, 2008. All the other decisions contained in CIPE Directive no. 38/2007, and the related Annex, remain unchanged by the Directive of March 27, 2008.

ADR contested the CIPE Directive on the grounds that the contents penalize airport operators, especially ADR, which relies on tariffs to provide funding to pay for invested capital and implement the substantial investment program required to upgrade airport infrastructures that are currently inadequate to sustain the increase in air traffic. Consequently, ADR declined an invitation from the Civil Aviation Authority to discuss the planning agreement.

Preliminary talks were entered into with the Civil Aviation Authority, together with the other major Italian airport operators and in collaboration with Assoaeroporti, aimed at identifying a possible platform for launching negotiations for the signing of a planning contract which, in the case of a successful outcome, would cover the four-year period, 2010-2013.

On December 10, 2008 the new version of the Guidelines were approved by a Decree issued by the Ministry of Transport and the previous Interministerial Decree no. 41/T was revoked. For information regarding the publication, reference should be made to “subsequent events”.

Regulations regarding the rights of persons with reduced mobility when traveling by air.

Regulation (EC) no. 1107/2006, which was approved by the European Commission on July 5, 2006, regarding the rights of persons with reduced mobility when traveling by air, came into force on July 28, 2008.

These Regulation provide a set of rules for protecting and assisting persons with reduced mobility who use or intend to use commercial passenger air services – whether outbound, incoming or in transit – at any airport that is located within a member State where the treaty is applied.

Specifically, the Regulation make the airport operators responsible for guaranteeing that assistance is provided to persons with reduced mobility, with no extra charge for the persons concerned.

The operator may directly provide assistance or, alternatively, whilst maintaining responsibility and in compliance with defined quality standards, may contract out the provision of these services to one or more parties.

In order to finance this assistance, the airport operator may charge a specific fee – on a non-discriminatory basis – to the airlines that use the airport, spreading the cost in proportion to the total number of passengers that each carrier transports to/from the airport in question.

Moreover, the airport operator is bound to set standards to guarantee the quality of the assistance services and establish the necessary funds for their implementation; the operator is also responsible for publishing these standards.

The airport operator and the carrier may agree to the provision of a higher standard of assistance. In this case, the operator may charge the carrier an additional fee.

Finally, the airport operator and the carrier must ensure that all the staff responsible for such services receive training in providing adequate assistance to disabled passengers and those with reduced mobility.

Civil Aviation Authority Memorandum regarding assistance to disabled passengers and passengers with reduced mobility.

On July 8, 2008 the Civil Aviation Authority adopted Memorandum GEN 02 on Regulation (EC) no. 1107/2006 of July 5, 2006 regarding the rights of disabled persons and persons with reduced mobility when traveling by air (in force since July 26, 2008).

Fuel surcharge.

Following an investigation of ADR S.p.A., in a memorandum on September 15, 2008, the Civil Aviation Authority notified the fuel surcharge to be retroactively applied by ADR S.p.A. as of January 1, 2008, pursuant to art. 11.13 of Law no. 248/2005. Taking into account the projected traffic growth for this year, and the transfer of Alitalia flights from Malpensa to Fiumicino, the Civil Aviation Authority revised the surcharge to 3.62 euros per cubic meter, subject to adjustments to be made in 2009.

Cargo tender.

On March 1, 2008 a call for tender at European level (restricted procedure) was published in the Official Journal of the European Union regarding the sub-concession of part of the Cargo Building with an area of approximately 3,400 square meters.

The Parent Company, ADR, received four expressions of interest and, following analysis of the documentation submitted by the competitors, the company Alha was excluded from the subsequent phases of the competition.

On June 9, 2008 ADR S.p.A. sent a letter to the qualified participants inviting them to submit their bids. The participants carried out specific inspections, and their bids must be submitted by July 23, 2008.

On July 25, 2008 the bid committee opened the applications received at a public meeting. On July 31, 2008 the committee carried out its duties in private session and sent the results to the competent bodies of ADR so that they could take the relative decisions.

Preliminary activities regarding the construction and management of the new Viterbo airport.

On September 10, 2008 a planning agreement was signed between ADR S.p.A. and the Civil Aviation Authority in which preliminary activities were defined regarding implementation of the plan to redistribute the Roman airport system, in a methodical way and in accordance with principles of promptness, safety and user-friendliness. Given the complexity of the many procedures involved, on October 15, 2008 the Ministry of Infrastructure and Transport set up a dedicated "steering committee", in which all the competent institutions and authorities are expected to participate, with a view to ensuring efficient operational coordination, as well as preparing a detailed planning document for subsequent submission to the CIPE.

The Civil Aviation Authority made ADR S.p.A. responsible for preparing a master plan for the new airport, aimed at dealing with industrial, environmental and infrastructure issues, especially regarding problems relating to integrating the airport within the surrounding area.

On completion of this phase, the authorities will be responsible for finalizing the granting of the concession and raising funds for all the necessary complementary and ancillary works for developing the site of the new airport.

Airport certificate.

On February 29, 2008 ADR S.p.A. was informed by the Civil Aviation Authority that, as the result of an investigation by the Authority, the "Certificate for Ciampino airport" had been renewed for a three-year period as of December 1, 2007.

Airport security.

Regulation (EC) no. 300/2008, which establishes common rules in the field of civil aviation security and repeals Regulation (EC) no. 2320/2002, published in the Official Gazette of the European Union, Law no. 97 of April 9, 2008, aims to replace the legislation regarding common security measures designed to protect airports, planes and passengers from acts of illegal interference (approved immediately after the events of September 11, 2001). The Regulation came into force on April 29, 2008, with immediate application of only some of its provisions. The remaining provisions will take full effect within two years of the date of entry into force, when the set of application regulations has been adopted by the European Commission. Until such time Regulation (EC) no. 2320/2002, and the related set of implementing measures, will remain in force.

Act regarding health and safety at the workplace regulations.

Legislative Decree no. 81 of April 9, 2008, "Implementation of article 1 of Law no. 123 of August 3, 2007, regarding health and safety protection at the workplace", was published in the Ordinary Supplement to the Official Gazette, no. 101, of April 30, 2008.

The new regulations revise the overall framework by replacing the previous legislation, including the famous Decree no. 626 of 1994. This measure, after the customary deferment, came into force on May 15, 2008. The application of various provisions was subsequently postponed until May 16, 2009 (such as notification of accidents at the workplace that entail more than one day's absence to INAIL and IPSEMA for insurance purposes; and the obligatory dating of the document prepared on completion of risk assessments, etc.).

Data Protection Code - Security Planning Document.

On March 28, 2008 the Security Planning Document was updated pursuant to Legislative Decree no. 196/2003.

2009 Finance Bill - redundancy payments and labor mobility regarding airport operator employees.

Article 2, paragraph 37, of Law no. 203 of December 22, 2008 (2009 Finance Bill), published in no. 303 of the Official Gazette of December 30, 2008, authorized the setting aside of provisions of 20 million euros as of January 1, 2009, and established conditions regarding the allocation of special 24-month redundancy payments and labor mobility amongst employees of airport operators and associated companies.



Public tenders.

Decree Law no. 162 of October 23, 2008, which was published in no. 249 of the Official Gazette of October 23, 2008, deals with the sudden rises in the prices of certain construction materials that occurred in 2008. This Decree waives the provisions of the Code for tenders (article 133, paragraphs 4, 5, 6 and 6-bis of Legislative Decree no. 163 of April 12, 2006 and subsequent amendments) and requires the Ministry of Infrastructure and Transport to issue a Decree, by January 31, 2009, reporting any annual increases or decreases of more than 8 percent in the prices of the most important construction materials during 2008.

Whilst the identification of these materials was postponed to a subsequent Decree, the legislation has so far established that such compensation is calculated by applying any percentage increase above 8 percent in the price of individual construction materials used in works carried out and recorded in 2008, in the quantities ascertained by the works supervisor. Moreover, under penalty of expiration, the contractor must submit an application for compensation to the client within 30 days of publication of the aforementioned Decree in the Official Gazette of the Italian Republic.

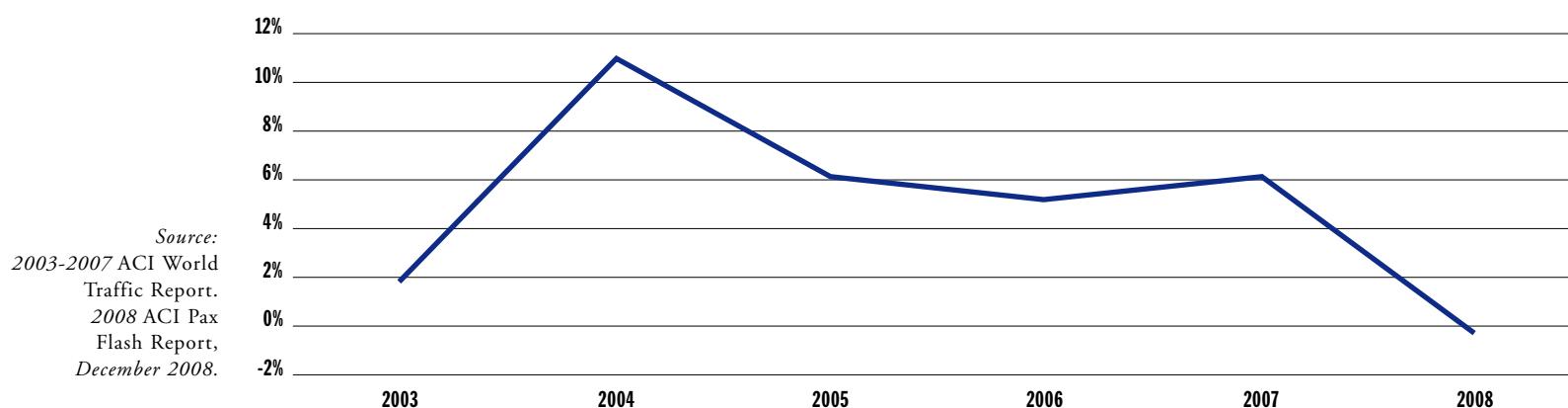
The Decree regarding identification of these materials has not yet been published.

Activities.

Aviation activities.

Air traffic.

During 2008, after five months of growth, for the first time world air traffic reported a slight decrease of 0.6% in passengers compared with the previous year. In particular, international traffic grew by 2.1%, whilst domestic traffic fell back 2.7%.



Europe witnessed a slight drop of 0.3% in passenger traffic in 2008 compared with 2007, with the international segment up 0.9% and the domestic segment down 4.6%.

In Italy passenger traffic in 2008 fell by 1.8% compared with the previous year, with respective decreases of 3.4% and 0.5% in the domestic and international segments.

Passenger traffic - 2008 percentage increases compared with 2007

World ^(a)	-0.6%
Europe ^(a)	-0.3%
Italy ^(b)	-1.8%
FCO + CIA ^(c)	+4.4%

Source:

(a) ACI Pax Flash Report (2008).

(b) Assaeroporti (2008).

(c) Roman

airport system

Fiumicino and Ciampino (2008).

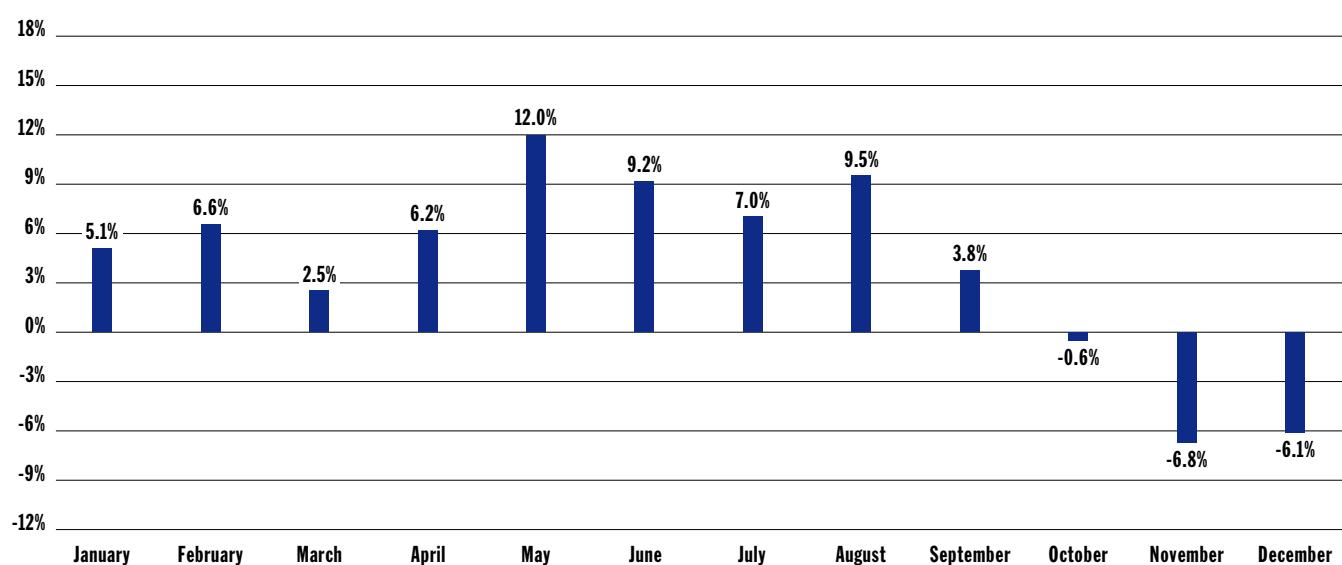
Roman airport system.

In 2008 the main European airports⁽²⁾ achieved the following passenger traffic results: Paris (up 0.8%), Amsterdam (down 0.8%), Frankfurt (down 1.3%), Madrid (down 2.4%) and London (down 2.7%), while in Italy the Milanese airport system (Linate and Malpensa) fell by 15.7%.

(2) Source: Airport Council International; Rapid Data Exchange Program.

In 2008 the Roman airport system registered overall growth of 4.4%. Monthly performances are shown in the following graph:

ROMAN AIRPORT SYSTEM: Total Passengers - Monthly percentage changes compared with 2007



Information regarding trends in traffic components is provided below:

Data up to December 31, 2008	Rome System	Fiumicino	Ciampino	Domestic	International
Movements	406,001	346,650	59,351	177,719	228,282
△% vs. PY	+1.4%	+3.5%	-9.6%	-0.4%	+2.8%
Mtow	29,846,692	27,043,810	2,802,882	10,283,198	19,563,494
△% vs. PY	+5.5%	+7.6%	-11.7%	+0.9%	+8.1%
Total Pax	40,018,165	35,227,209	4,790,956	14,154,704	25,863,461
△% vs. PY	+4.4%	+6.9%	-11.3%	+0.3%	+6.7%
Freight (Kg)	157,062,189	137,423,946	19,638,243	8,738,716	148,323,473
△% vs. PY	+2.2%	+5.2%	-14.6%	-17.8%	+3.7%

International traffic breaks down into EU and non-EU traffic as follows.

	International	International EU	International Extra EU
Movements	228,282	159,297	68,985
△% vs. PY	+2.8%	-3.1%	+19.6%
Mtow	19,563,494	10,852,568	8,710,926
△% vs. PY	+8.1%	+0.1%	+19.9%
Total Pax	25,863,461	17,054,370	8,809,091
△% vs. PY	+6.7%	+0.3%	+21.9%
Freight (Kg)	148,323,473	37,183,455	111,140,018
△% vs. PY	+3.7%	-12.0%	+10.3%

At **Fiumicino** increases in total movements (up 3.5%) and passenger levels (up 6.9%) were reported. The domestic component was substantially in line with the passenger volumes reported in 2007 (down 0.1%), whilst international passengers were up 11.8%.

Overall, Fiumicino was marked, in 2008, by two significant events that occurred during the year, both regarding Alitalia, the airport's major carrier.

As of the season "summer 2008", Alitalia reorganized its operating network with a focus on Fiumicino as the carrier's main hub. This led to an increase in many flights, especially short-, medium- and long-haul international flights, adding up to a total of more than 31 daily flights to/from Fiumicino (5 domestic and 26 international, of which 3 are EU and 23 non-EU).

The main new routes include Dubai, San Paolo, Osaka, Chicago, Teheran, Kiev and Damascus, as well as the

stepping up of flights to destinations already served, including Boston, Caracas, Cairo, Buenos Aires, Istanbul, Leningrad, Tokyo, Toronto, Tunis and Tel Aviv.

Subsequently, monthly growth rates began steady declining in September/October until they reached the contracting volumes registered in the last two months of the year.

This reversed trend is due in part to the gradual slowdown in the Italian and international economies but, above all, to the Alitalia crisis and the concomitant process that gave rise to the new Italian Air Company (CAI) (start-up in January 2009).

Specifically, regarding the latter, industrial action by labor unions and reductions in the number of flights led to daily cancellations that peaked at more than 200 movements/day.

This generated great uncertainty among potential customers, resulting in a sharp drop in bookings and the load factor on the remaining Alitalia flights.

Breakdowns for the different areas are as follows:

Domestic traffic: this segment, representing 38.4% of total passenger traffic, reported the following:

- Domestic, Alitalia (53.8% of passenger market share): the reported reductions in passengers (down 7.3%) and capacity (movements down 3.9% and aircraft tonnage down 6.4%);
- Domestic, other carriers (46.2% of passenger market share): other carriers reported strong growth in passengers (up 9.8%) and capacity (movements up 2.8% and aircraft tonnage up 8.5%).

International European Union traffic: this segment, representing 37.1% of total passenger traffic, reported the following:

- European Union, Alitalia (27.7% of passenger market share): the carrier reported an increase in passenger traffic (up 5.0%), whilst capacity decreased in terms of movements (down 2.8%) and grew in terms of aircraft tonnage (up 9.2%);
- European Union, other carriers (72.3% of passenger market share): other carriers reported increases in passengers (up 5.3%) and capacity (movements up 1.8%, and aircraft tonnage up 2.6%).

International traffic outside the European Union: this segment, representing 24.5% of total passenger traffic, reported the following:

- Traffic outside the European Union, Alitalia (35.7% of passenger market share): the carrier reported a substantial increase in passengers (up 101.8%), together with a rise in capacity (movements up 89.0% and aircraft tonnage up 115.4%);

- Traffic outside the European Union, other carriers (64.3% of passenger market share): other carriers registered a slight increase in passengers (up 1.5%), whilst capacity saw movements up 3.3% and seats up 1.6%.

On March 30, 2008 the Schengen area was enlarged to include Estonia, Latvia, Lithuania, Malta, Poland, the Czech Republic, Slovakia, Slovenia and Hungary. This obviously had an impact on the results for 2008 in terms of the breakdown between Schengen and non-Schengen areas. Schengen traffic grew by 13.0%, and non-Schengen traffic rose by 10.6%; applying the previous breakdown growth would have been 3.2% for the Schengen area and 20.1% for the non-Schengen area.

In 2008, in addition to increases in the frequencies of existing flights and the above-mentioned reallocation of Alitalia flights to Fiumicino, the airport continued to develop its network, with a series of new routes and destinations and the launch of routes by new carriers, including:

In the Domestic segment:

- Air One has started operating new daily flights to Milan Malpensa;
- Blu-Express has started operating new daily flights to Palermo and Turin;
- Air Alps has started a new route to Cuneo;
- easyJet has started operating from Fiumicino, launching new flights to Milan Malpensa, Palermo and Bari, and has moved its flights from London Gatwick to Fiumicino from Ciampino;
- Air Italy has started up new flights to Verona.

In the European Union segment:

- new routes are operated by Air One to Brussels, Malta and Athens;
- Aer Lingus has started up flights to Belfast;
- Wizz Air has started new flights to Gdansk, Poznan and Timisoara;
- Transavia has started operating a route to Copenhagen;
- Vueling has stepped up flights to Seville;
- Blue1 has stepped up flights to Helsinki;
- Aegean Airlines has stepped up flights to Athens.

In the non-European segment:

- Tunisair has stepped up flights to Tunis during the year;
- Carpatair has stepped up its flight to Timisoara;
- Air One has started up new routes to Cyprus Corfu;

- Estonian Air has started up a route to Tallin;
- Luxair now flies to Saarbrücken (Germany);
- Aeromexico has started up a route to Mexico City;
- SriLankan Airlines has started up a new flight to Colombo.

Finally, the new Terminal 5 for passengers bound for the United States on US airlines, and Israel on El Al, started operating at Fiumicino on May 3, 2008. The T5 was built to increase the current intercontinental capacity at Fiumicino airport.

Ciampino, the Roman airport system's second airport, registered reduced passenger traffic volumes (down 11.3%) and capacity (movements down 9.6%, and seats down 12.3%). This performance is due to the transfer, which began at the start of the 2007 winter season, of certain carriers' flight operations from Ciampino to Fiumicino, in connection with the measures drawn up by the Civil Aviation Authority designed to limit the airport's commercial aviation capacity.

Airport fees.

In 2008 revenues from airport fees amounted to 165.3 million euros, representing an increase of 6.1% with respect to 2007.

The two principal components, "landing and take-off fees" and "passenger boarding fees", reported the following performances:

- landing and take-off fees: the increase of 7.1% is essentially due to a rise in movements and aircraft tonnage;
- passenger boarding fees: total revenues rose by 5.9% on the back of an increase in the number of passengers boarded.

Moreover, the transfer of certain flights from Ciampino to Fiumicino airport led to changes in the revenue breakdowns regarding the two airports compared with the previous year.

Finally, the traffic reduction registered in the last quarter of 2008 in connection with the Alitalia situation had a negative impact on all aviation revenue items.

Management of centralized infrastructures.

The management of centralized infrastructures and terminal services, which is carried out directly by the Parent Company, ADR S.p.A., reported revenues of 36.5 million euros in 2008, representing an increase of 4.1% compared with the previous year.

This performance was due essentially to:

- an 8.7% rise in loading bridge revenues, primarily due to improved use of infrastructures (especially in the international segment), slightly offset by a reduction in fees for some types of aircraft introduced in the first quarter of 2007. Loading bridges were used for 158,998 flights in 2008 (up 2.5% on 2007), serving a total of 18,663,352 passengers, representing an increase of 540,312 (up 3.0%) compared with 2007;
- a 2.7% decrease in revenues from the baggage handling system due to the complete transfer of Alitalia Schengen flights from Terminal B to Terminal A and the opening of Terminal 5 (infrastructures with a lower unit cost), partly offset by the positive effect of passenger traffic growth. Indeed, following this transfer of flights to other airport infrastructure, in 2008 the automatic Baggage Handling System (BHS) which serves Terminal B and Terminal C handled approximately 5,845,000 pieces of baggage, representing a decrease of 8.0% with respect to 2007.

Security.

During 2008 the security activities carried out by the Parent Company, ADR S.p.A., (security checks on passengers and carry-on baggage, 100% screening of checked luggage, explosive detection checks, other security services requested and surveillance of the airport system) generated revenues of 63.1 million euros, down 2.2% on 2007. This performance resulted from the positive trend in passenger numbers deriving from traffic growth, which was offset by the negative effects of the reduction of certain checks ordered by the Civil Aviation Authority (the elimination of checks on transit passengers coming from countries included in the Schengen agreement, a review of additional measures regarding security forms) and a reduction in revenues from on demand cargo services due to the spin-off the cargo business.

An additional increase of 0.8 million euros in security revenues on the previous year derives from ancillary activities regarding training/issuing of airport badges, cargo surveillance, etc.

Assistance to passengers with reduced mobility (PRM).

On July 16, 2008, in compliance with EU legislation, ADR S.p.A. started assisting PRM passengers via the specifically incorporated subsidiary undertaking, ADR Assistance S.r.l..

In the period from July 16 to December 31, 2008, these assistance activities generated additional revenues of 4.8 million euros, which will be entirely passed on to ADR Assistance, which provides the services.

Moreover, in July the Fiumicino and Ciampino Airport Regulations were updated to include regulations for these new activities.



In compliance with EU Regulation no. 1107/2006, after lengthy discussions with the airport users' committees, ADR S.p.A. set compensatory fees of 0.60 euros and 0.34 euros per passenger to be charged to carriers at Fiumicino and Ciampino airports, respectively.

These fees were calculated on the basis of the cost structure incurred for providing the service, and also taking into account the level of quality to be guaranteed for customers. The fee set for carriers is the same as the one that, in turn, ADR S.p.A. agreed on with the subsidiary undertaking, ADR Assistance S.r.l., which provides the services to passengers with reduced mobility.

In a letter dated July 22, 2008, the Civil Aviation Authority, in asserting its ambiguous prerogatives, notified its decision, following to its own investigations, to lower the fee to be applied at Fiumicino airport to 0.54 euros per passenger.

Whilst reserving the right to put forward its own arguments, on prudential grounds ADR S.p.A. decided to apply this lowered fee to carriers which, given that the cost of the service provided by ADR Assistance S.r.l. is the same, generated a loss of approximately 0.5 million euros in ADR S.p.A.'s accounts. As part of the negotiations to review the amount to be applied for this fee in 2009, due account should be taken of the financial imbalances sustained by ADR S.p.A. and the service provider, ADR Assistance S.r.l., which also reported a net loss for the year ending 2008.

Operational safety.

Within the Roman airport system operational safety was carried out according to procedure (ISO 9001/2000 certificate), responding to the increase in traffic and the rising number of infrastructures and construction sites to be checked.

In addition, the monitoring of compliance with the requirements of Civil Aviation Authority certification and the correct use of airside infrastructure by handlers continued, including notification of any infringements and actions aimed at helping to modify and improve procedures for runway use.

Airport regulations.

The periodic updating of documents continued, including:

- in January 2008 the contents of the Fiumicino Airport Regulations were expanded, completed and revised;
- in May 2008 information was added regarding Terminal 5 and the cargo handling procedures at Fiumicino were revised;
- new Directives ordered by the management of Ciampino airport were gradually added.

Real estate management.

Sub-concessions.

Revenues from retail sub-concessions, deriving from “fees” and “utilities” at Fiumicino and Ciampino airports, amounted to 36.4 million euros, up substantially on 2007 (12.6%).

This performance is largely due to the disposal of the cargo business which, as of January 1, 2008, resulted in the granting of a sub-concession to Argol Air Cargo S.r.l. (formerly Cargo Merci Fiumicino S.r.l.) for the portion of the cargo building previously used directly by ADR S.p.A. as an operating asset.

Revenues from other fees charged to third parties at Fiumicino and Ciampino amounted to 15.0 million euros, a decrease of 9.0% with respect to the previous year. This performance is largely due to the reduction in fees charged to the oil companies that supply jet fuel for aircraft, in compliance with the Civil Aviation Authority directive of September 15, 2008, which was partially offset by the growth in hotel revenues.

Non-aviation activities.

Non-aviation activities, both directly managed and in sub-concession, registered an increase that was greater than traffic growth in 2008.

This performance was achieved despite the global economic crisis, which began to hit consumer spending harder in the last quarter of the year. Retail sales in 2008 were also negatively impacted by the depreciation of sterling and the dollar, which led to a reduction in the per capita consumption of British and American passengers.

Direct sales.

Revenues from direct sales, amounting to 82.8 million euros, grew by 8.3% in 2008 compared with 2007, against an increase of 4.5% in outgoing traffic. The average passenger spend rose by 3.6% compared with 2007.

The growth registered in 2008 also bears witness to the effectiveness of the development program and efficiency drive launched at the end of 2004, which has enabled increases of 73.4% in turnover and 33.0% in average passenger spend over the last four years.

Fiumicino registered revenue growth of 14.2%, equal to an increase in average passenger spend of 6.6%. This performance was achieved, in spite of the fall in the average passenger spend for dollar and sterling destinations, which was more than offset by the improved traffic mix deriving from the transfer of Alitalia flights from Malpensa,

as well as the increase in the average domestic passenger spend resulting from the improved commercial offering at Terminal A and Terminal B.

Growth was reported across all product segments, with above average results achieved by "fragrances" (up 9.2%), "confectionery" (up 9.4%), "skincare" (up 8.6%) and "make-up" (up 14.0%).

Ciampino airport registered a 29.0% decrease in revenues compared with 2007, greater than the drop in traffic (down 11.3%), with a consequent reduction of 19.9% in the average passenger spend. This performance primarily reflects the decrease in the average passenger spend on UK flights due to the above-mentioned strengthening of the euro against sterling and the negative effect of transfer of sterling flights to Fiumicino in the summer of 2007, as these flights have a high average spend.

Outlets managed by sub-concessionaires.

Royalties from outlets managed by sub-concessionaires totaled 47.7 million euros, up 7.0% on 2007, with a 2.4% increase in terms of average revenues per passenger ("retail" up 1.0%, "food & beverage" up 2.4%, "other royalties" up 8%).

At Fiumicino airport 2008 saw further development and improvement of "retail", "food & beverage" and "beauty care" services offered to passengers and the airport community. New outlets opened include a beauty salon and hairdressers at the arrivals hall of Terminal A, two wellness centers (one at Pier B and the other at the Satellite), a "Smartphone" (mobile phones) outlet at the arrivals hall of Terminal C and an OTC pharmacy in the new Terminal 5, which was inaugurated in May. The luxury segment was enhanced with two new retail outlets: "Dolce & Gabbana" and "Zegna", both of which are located in the B11-B21 gate area. A second "Gallo" and "Piquadro" outlet was also opened.

The excellent result achieved by the "food & beverage" segment (revenues up 8.6%, equivalent to 1.3 million euros) bears witness to customers' strong appreciation of the gradual improvement in quality levels and the range of products offered over the last 18 months. Highlights in 2008 include the introduction of a new up-market fish and wine bar, under the "Marchese dei Frescobaldi" brand, in the B11-B21 gate area, and the complete restructuring of the "Spizzico" restaurant in the same area.

"Other royalties" posted revenues of 5.4 million euros, a rise of 12.9% (up 0.6 million euros). VAT refund companies performed particularly well (revenues up 31.5%), mainly thanks to earnings from the foreign exchange outlets launched at the end of 2007 in accordance with new contract provisions. The baggage wrapping business also registered a good performance (revenues up 13.1%).

At the end of 2008 the process set up to find parties interested in taking over the Cisim Food business, which is under special administration, was completed with the identification of new operators (Autogrill, Airport Elite and Cremonini).

This operation is vitally important in the context of the development and improvement policies underway. During 2009 it will enable the restructuring and upgrading at Ciampino and Fiumicino of 21 refreshment outlets which are extremely outdated and not up to providing adequate service to meet passengers' requirements.

During the year a new advertising campaign, created by Armando Testa, was launched with the specific objective of raising brand awareness of the Rome Airports Shopping Gallery in terms of convenience, quality and the "Italianness" of the goods on offer. The new format, restyling of the brand and adoption of the slogan "Discover hundreds of brands and the convenience of airport shopping" were all aimed at emphasizing how airports are increasingly becoming a "place", where passengers can make good use of their available time by using it for body care, shopping or having an enjoyable meal. New promotional and directional signs were also designed and made, with the corporate format broken down into various types of message (directional signage, promotional, promotional/directional and information). The website was also improved with prompt updating regarding the opening of new retail outlets, promotions and special offers. Special importance was however given to the development and management of below-the-line material, which also includes preparation of new format for the Shopping Guide.

Car parking business.

Management of parking systems registered revenues of 30.1 million euros, down 1.5% on the previous year, which is substantially in line with the trend in the potential market for outgoing passengers.

The airport operator car parking business (representing revenues of around 3 million euros) grew by 1.9%, whilst the passenger car parking business (representing revenues of around 27 million euros) fell by 2.2% compared with 2007 due, on the one hand, to the above-mentioned contraction in the outgoing passenger market and, on the other, to a slight decrease of 0.6% in average passenger spend.

The business segment performed particularly well (average passenger spend up 3.6% on the first nine months of 2007), which almost entirely offset the poor performances registered in the other segments, especially leisure and weekend traffic. The latter were penalized by off-airport competition and increased gasoline costs which encouraged leisure passengers to use alternative means of transport to get to the airport.

An important contribution to overall performance was made by initiatives aimed at developing distribution channels

(online booking, tour operators, business travel agencies, companies, airlines), which grew by around 75% compared with 2007, registering total revenues of more than 2 million euros. This mitigated the negative effects of the increased competition from other operators and alternative means of transport. Moreover, a greater number of customers was registered, leading to increased penetration of the car parking systems with a rise of 1.8% in terms of total passenger numbers compared with 2007.

Initiatives on the communications front included restyling of the Easy Parking ADR brand; development of product campaigns (online booking, *Millemiglia*, executive parking); creation of promotional and directional signage; development of new pages for the website; activation of new distribution channels; planning of an external media campaign (radio, magazines and newspapers, internet and cinema); and development of below-the-line material (executive leaflets, *Millemiglia* and material for travel agencies).

Advertising.

Revenues from advertising in 2008, amounting to 26.0 million euros, fell by 5.2% compared with 2007, primarily due to the reduction in earnings of the subsidiary undertaking, ADR Advertising S.p.A., resulting from the economic slowdown that has affected the entire advertising sector. This performance was partially offset by increased revenues from the sale of advertising in directly managed outlets (up 8.9% on the previous year).

Information Technology.

During 2008 activities aimed at upgrading and ensuring the reliability of company application systems and ICT infrastructures were completed, continued and launched.

In particular, works completed during 2008 include the following:

- sensitive flights terminal (T5): in synergy with other company departments, preparatory work on infrastructure and the network, and subsequently the opening of Terminal T5 in May, were completed;
- PRM project: the project to develop and upgrade systems regarding assistance provided by ADR S.p.A./ADR Assistance S.r.l. to passengers with reduced mobility (PRM) relating to the upgrading of airport systems (UFIS RMS), infrastructures and management systems was completed. A project to launch a web portal dedicated to the new company in compliance with regulations regarding website access (the “Stanca Law”) was completed;
- ADBM flight integration program: the implementation phase of a centralized system for the planning, management and certification of flight data at Fiumicino and Ciampino airports was completed;
- new common user system (flight data management system): the three-year management and maintenance contract was launched. In addition, the migration of the new platform and the upgrading of check-in desks were completed

in time to deal with the higher summer passenger volumes at Fiumicino airport;

- airport systems assessment and plan: assessment and preparation of a long-term development plan for airport systems were completed with the aviation business sector in order to incorporate technological developments and meet the requirements of internal users. The first planned initiatives are underway;
- spin-off of the cargo business: system upgrade activities regarding the spin-off of the cargo handling business were completed;
- re-engineering of billing lines: the automation of various billing processes (for example, follow-me, first aid, lost & found, marshalling, public announcements, porter service) was completed for the purposes of filing documents and backing up invoices payable;
- assessment of management systems: the project was completed with the “as-is” analysis phase;
- SAP upgrading: the upgrading of SAP R/3 (to ECC 6) and BW (to BI Netweaver 7.1) was completed;
- document filing and backup system: the project was completed and the chosen solution was adopted;
- commercial systems assessment and plan: the drawing up of a long-term development plan for retail systems and infrastructures with the business department was completed;
- optimization of direct retail purchasing processes and management of shop requirements: optimization of the direct retail purchasing process, from the supplier to the central warehouse and from the warehouse to the shop, was completed;
- workflow management of internal authorization of vehicle maintenance estimates: the computerized management of the workflow regarding internal authorization of vehicle maintenance estimates, and their acceptance by customers, was completed;
- credit card management: the first phase of revising electronic payment systems in use at all payment points (e.g. duty free/duty paid, car parks, etc.), in line with technological developments, was completed;
- new Adr.it portal: the new Adr.it portal, which has new graphics and content layout in compliance with existing regulations regarding website access (the “Stanca Law”) was launched;
- implementation of the Quality System: implementation of the quality standards monitoring system for the main corporate processes (check-in lines, security check lines, baggage claim, toilets) was completed;
- “Business Object XI” migration: upgrading of the “Business Object” environment, a corporate reporting system, was completed.

Important activities that were launched during 2008, and will be continued in 2009, include the following:

- revamping of the “operating” area: analysis and definition of a management model for ICT and ADR Tel “operations” was completed and a pilot project launched for the network and distributed terminal system. The model will be gradually rolled out over the next two years;
- FIDS (Flight Information Display System): the replacement of information monitors that are obsolete or to be

phased out in accordance with the requirements of the company's signage project is nearing completion;

- automation of airport services billing processes: analysis of the automation of billing processes for various airport and security services provided by ADR was initiated and implementation is being launched;
- integrated badge access control system: implementation of an integrated platform to control and monitor systems that are accessed via use of the airport badge was completed, and initiatives were launched to integrate the various existing systems with the new platform;
- fidelity cards: development of a system for managing fidelity cards has been completed, and a production launch date is under consideration by the business department.

Environmental protection.

During 2008, maintenance and development of the Environmental Management System (EMS) at Fiumicino and Ciampino continued according to plan.

In December, Dasa - Rägister, the certification body, carried out the integrated checks required for renewal of ISO 14001 certification for the Environmental Management Systems (EMS) at Fiumicino and Ciampino and confirmed their compliance with the set standards.

Within the scope of training initiatives, scheduled courses were provided for the departments concerned by EMS. EMS monitoring, conducted by ADR's internal environmental auditors, was carried out in accordance with annual planning, and contributed to highlighting areas where systems may be improved.

The air quality monitoring campaign conducted in collaboration with the National Research Council (CNR) at Fiumicino airport, as well as electromagnetic monitoring at both airports, were completed.

The ADR Environmental Report was updated with 2007 data.

Regarding noise abatement, initiatives to improve the compatibility of airport activities with the environment and the surrounding area continued in 2008.

At Fiumicino, the quotas for carbon dioxide emissions ratified for 2007 were returned, equivalent to 76% of the amount allocated by the Ministry of the Environment.

Quality.

Monitoring of airport activities continued in 2008 via daily checks on the level of quality provided and perceived, with a total of more than 850,000 objective controls carried out and 18,000 questionnaires submitted to

passengers. Analysis of Fiumicino's positioning in terms of quality continued, through participation in the "Airport Service Quality" international benchmarking program and via specific meetings with major European airport operators.

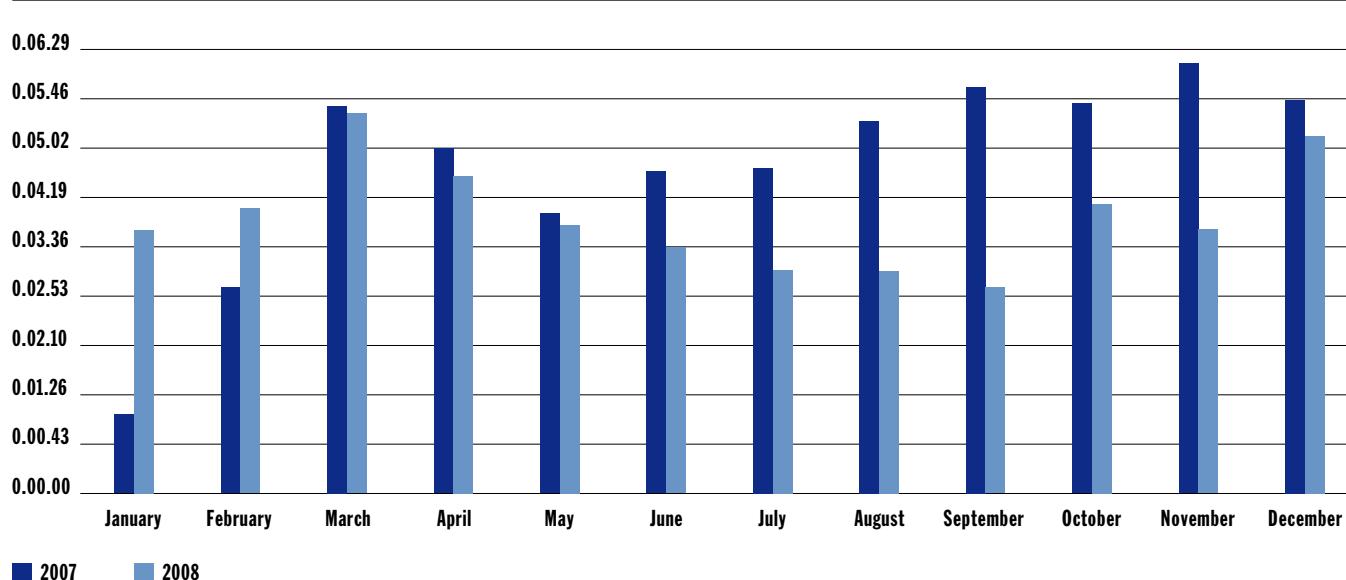
Monitoring of quality provided.

Fiumicino

In 2008, 95.30% of passengers underwent waiting times for carry-on baggage security checks of less than 12 minutes; 5.3 percentage points above the service standard published in the Service Charter (90% of passengers).

The average annual waiting time stood at 4 minutes and 5 seconds, compared with 5 minutes and 12 seconds in 2007, representing an improvement of around 20% in average annual service times.

Average waiting times for carry-on baggage security checks. Comparison between 2008 and 2007 (times expressed in hours, minutes and seconds).

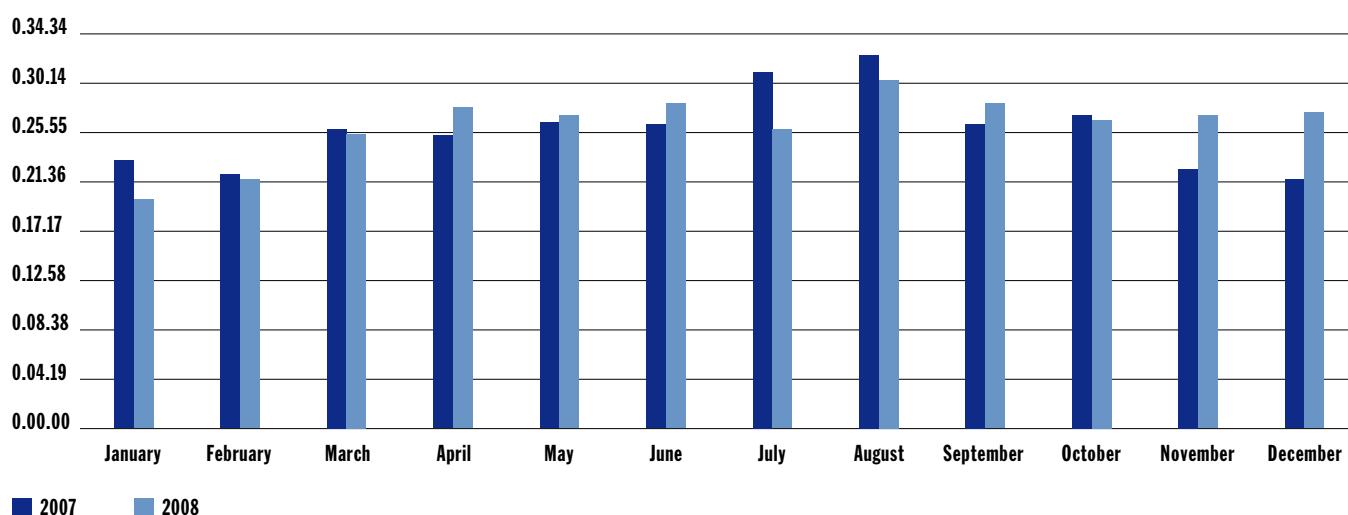


The percentage of flights with baggage reclaim times within the set standards was 79.56% for the first piece of luggage and 85.15 % for the last (the standard is 90%).

The greatest difficulties were reported at Terminal A, where baggage reclaim times were 67.91% in compliance with standard times (average between the first and the last bag) compared with 87.18% at Terminal B and 79.05% at Terminal C.

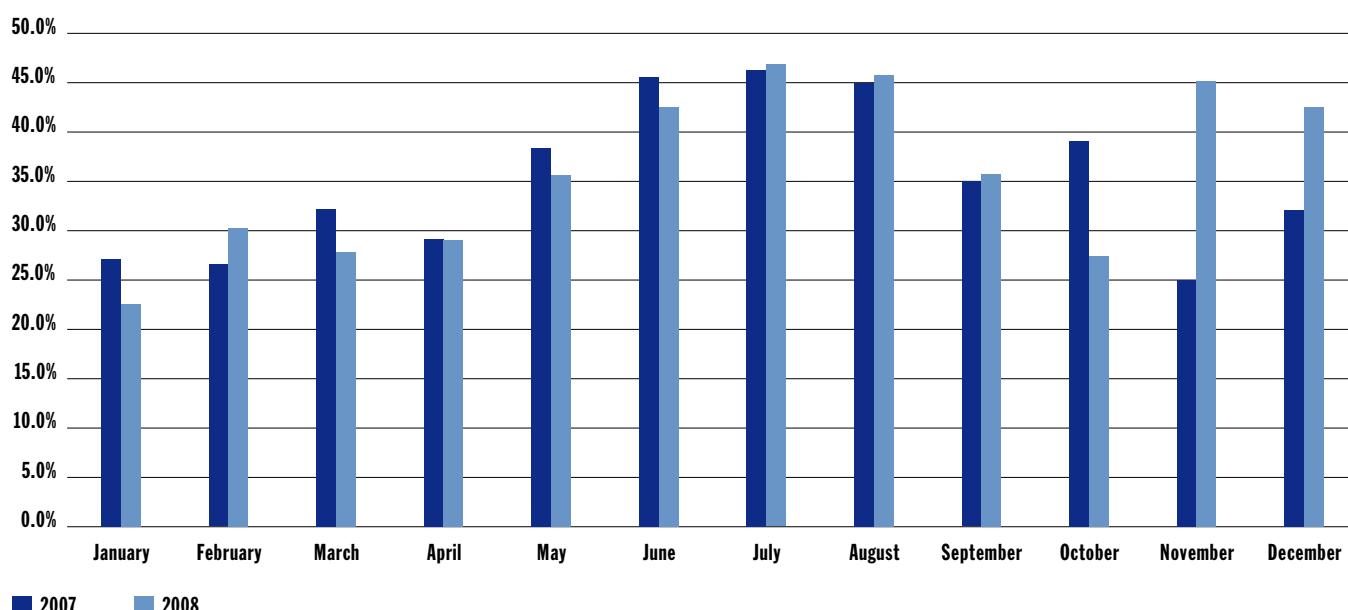
On average, an increase of 1 minute in baggage reclaim times was registered for the first bag and 27 seconds for the last bag compared with the service provided in 2007.

Average times for delivery of last bag. Comparison between 2008 and 2007 (times expressed in hours, minutes and seconds).



The percentage of outgoing flights with delays of more than 15 minutes was 36.6%, compared with 36.0% in 2007, 11.6 percentage points above the published standard in the Service Charter, whilst the percentage of incoming flights with delays of more than 15 minutes was 26.4% (27.7% in 2007). Consequently, the “recovery of airport transit times” (the difference between delays to incoming and outgoing flights with respect to scheduled time) was negative (-10.2%) compared with the set value (+1%).

Comparison between the percentage of delays of more than 15 minutes for incoming and outgoing flights.



The percentage of passengers who completed check-in operations within the times set in the Service Charter was 86.21% for domestic flights and 84.65% for international flights (the standard is 90%).

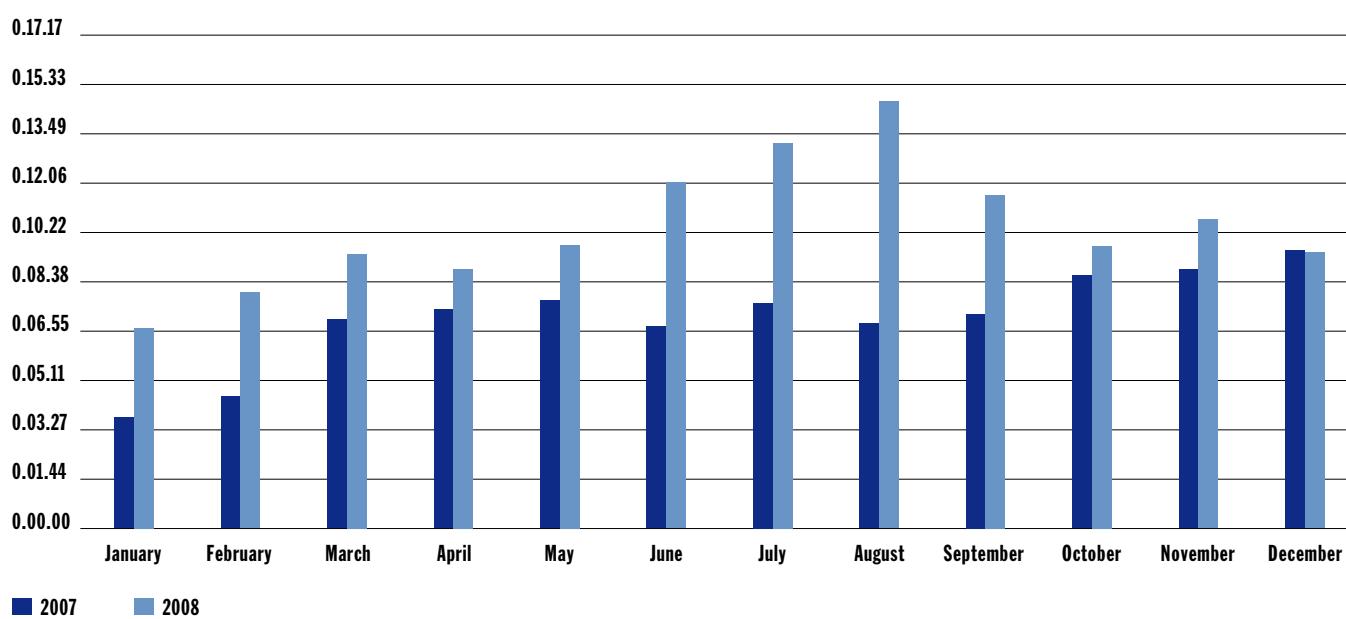
MANAGEMENT REPORT ON OPERATIONS - ADR GROUP

The service deteriorated with respect to the previous year – down 3 percentage points for domestic segment and 6 points for international segment.

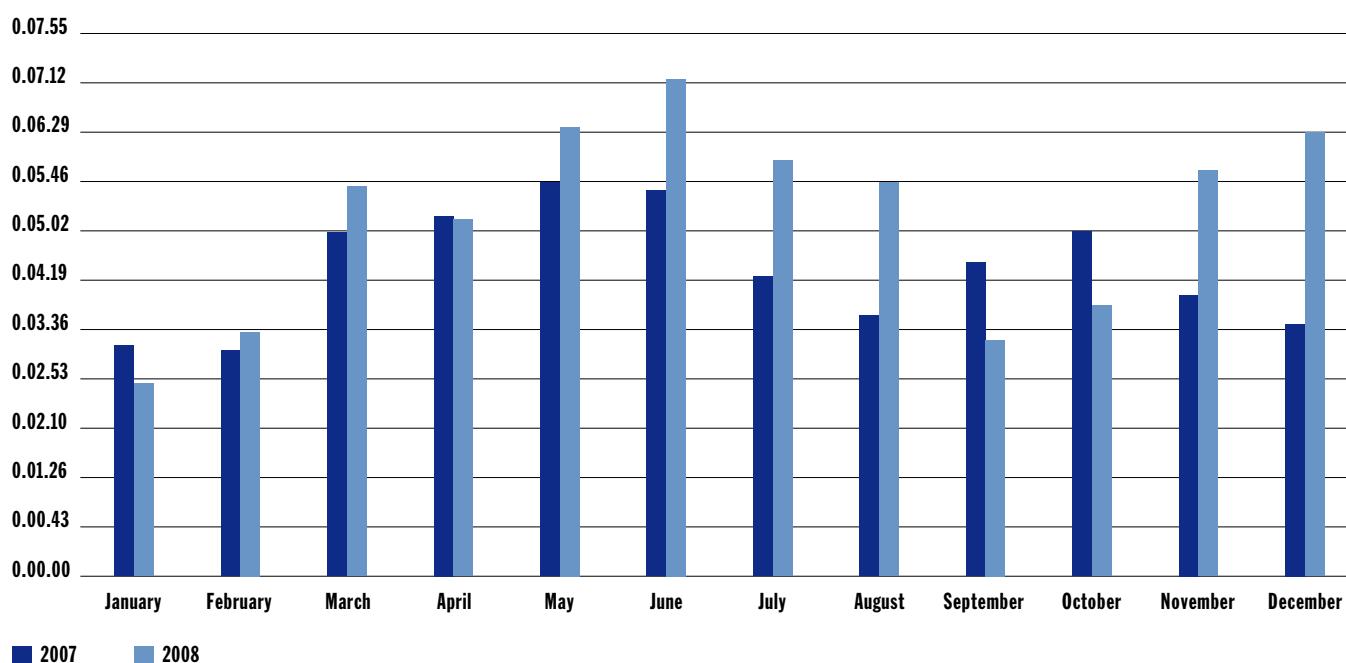
Average check-in times for international flights rose by an average of 2 minutes, whilst for domestic flights average times were up by around 35 seconds.

Average waiting times in lines at check-in desks. Comparison between 2008 and 2007 (times expressed in hours, minutes and seconds).

International segment



Domestic segment



Ciampino

Monitoring at Ciampino shows an overall improvement in services provided to passengers compared with 2007, except for the passenger check-in service.

The following results were registered in 2008:

- carry-on baggage security checks were completed within the set standard time of 15 minutes in 99.5% of all cases, 9.5 percentage points better than the standard set in the Service Charter and 6 points up on the service provided in 2007;
- the percentage of outgoing flights with delays of more than 15 minutes was 22.5%, whilst the percentage of incoming flights with delays of more than 15 minutes was 16.9%. The airport did not respect either the standard regarding delays to outgoing flights (17%) or that regarding the recovery of airport transit time (1%);
- the percentage of flights with baggage reclaim times within the set Service Charter standards was 93.1% for the first piece of luggage and 93.2% for the last; the service improved by 10 percentage points with respect to 2007, which in both cases was above the set standard (90%). Average baggage reclaim times stood at 14 minutes for the first piece of luggage and at 19 minutes for the last, a substantial improvement on 2007 (an average of 17 minutes for the first piece of luggage and an average of 24 minutes for the last);
- passenger check-in operations were completed within 20 minutes in 69.6% of cases; the level of service provided was down 3 percentage points on 2007 and on the set standard (90%).

Monitoring of perceived quality.

Fiumicino

In 2008 Fiumicino airport received an average score of 4.50 from passengers (valuation scale 6= excellent 1= poor), substantially in line with 2007 (4.48).

As regards air terminals, Terminal A received the highest score of 4.59 compared with the score of 4.54 for Terminal C and the 4.34 for Terminal B.

As regards the classes of service analyzed, retail services received a particularly positive judgment (4.56), whilst waiting times were the biggest problem area (3.92).

Moreover, the surveys made it possible to draw up a profile of passengers at the airport:

- 58.5% of passengers are between the ages of 26 and 45, whilst only 8.4% are over 55;
- 62.7% are upper-middle class professionals (managers, freelance professionals, office workers, teachers);
- the majority (53.8%) travel for pleasure, whilst 36.4% travel on business. The business passenger segment, however, comprises a substantial portion of whole, primarily at Terminal A;
- 60.4% are Italian, whilst 39.6% are foreign nationals;
- data regarding Italian passengers' residence confirm the importance of Fiumicino as a traffic hub, with 24.1% residing in central regions, 12.6% in northern regions and 21.7% in southern regions and on the islands;

- most foreign nationals come from Europe (23.9%) and North America (10.8%);
- 57.2% have flown at least 7 times in the last year and 34.4% have been to Fiumicino at least 4 times in the same period;
- of those departing from Fiumicino, 18.9% arrived by taxi, 35.9% by private car (with or without an accompanying driver) and 30.6% by train.

Ciampino

In 2008 Ciampino airport received an average score of 4.35 from passengers (valuation scale 6= excellent 1= poor), an improvement on 2007 (4.02).

Moreover, the surveys made it possible to draw up a profile of passengers at the airport:

- 48.8% of passengers are between the ages of 26 and 45, whilst only 9.6% are over 55;
- 55.5% are upper-middle class professionals (managers, freelance professionals, office workers, teachers);
- the majority (86.7%) travel for pleasure, whilst 13.3% travel on business;
- 34.2% are Italian, whilst 65.8% are foreign nationals;
- 27.0% have flown at least 7 times in the last year and 13.0% have been to Ciampino at least 4 times in the same period;
- of those departing from Ciampino, 42.4% arrived at the airport by bus or shuttle bus, 26.0% by private car and 16.3% by taxi.

Benchmarking.

In 2008 a panel of European airports was set up (Amsterdam Airport Schiphol, Aéroports de Paris, Copenhagen, Frankfurt, Munich, SEA Milan, Zurich), coordinated by ADR with a view to exchanging information on respective performance regarding quality provided. Specific studies were conducted in 2008 on security check and check-in procedures.

Based on the preferences expressed by passengers within the scope of the “Airport Service Quality” program, in 2008 Rome’s airports were ranked above Paris (Charles de Gaulle and Orly) and Malpensa, and behind the airports considered to be “excellent” (Zurich, Munich, Amsterdam and Copenhagen).

Group investment.

During 2008 the ADR Group carried out investment totaling 111,702 thousand euros (85,440 thousand euros in 2007), including:

	(in millions of euros)
Image improvement	7.5
Terminal T5	10.7
Pier C	5.9
New office tower - Epuia 2	5.6
HBS/BHS ex cargo Alitalia	1.7
Cargo City - store goods Alitalia	2.5
Runway 1	32.9
Others	45.0
Total investments 2008	111.7

Terminals.

Work on image improvement and civil and plant engineering works at the West Pier were completed, whilst works continued on the retail layout of terminals at Fiumicino airport.

Upgrading works were completed on the following restrooms: Terminal C (quota 10.00), Domestic Pier (in the basement and the Milan area) and the departure area of Pier B.

As part of the initiative to merge passenger arrival gates and upgrade the arrivals halls of Terminals B and C, phase one works were completed.

On May 3, 2008, Terminal 5 was opened to the public. The new terminal, dedicated to dealing with passengers from "sensitive flights" (with a high number of security checks), will enable Terminal C to be relieved of the passenger traffic component that is more difficult to manage, especially during peak periods, thereby reducing the strain on the automatic Baggage Handling System (BHS).

As regards handling and security checks on checked luggage, during the first half of the year the new back-up system for the BHS at Terminal B was completed and the northern X-Ray Screening building entered service with totally renovated baggage sorting carousels and the replacement of conventional X-Ray machines with EDS (Explosive Detection System) equipment in compliance with the National Security Plan. During the year, a second back-up system for the D-E islands at Terminal C, a new building for handling and screening transit baggage, called Kilo3, and a second line to feed baggage reclaim carousel no. 11 at Terminal B entered service.

Work is underway on renovating the external and internal parts of the passenger information sign system.

Construction work continued on Pier C.

Regarding the works to upgrade the reception facilities at Fiumicino airport for passengers with reduced mobility (PRM), the reception room at the West Pier entered service in December, whilst works continued on the reception

room for Terminal C, Pier B and the Satellite. In the arrivals hall of Terminal A, works were completed on the new group of CNA offices.

Infrastructures and buildings.

The new Epuia 2 office building was completed.

Regarding the agreement between ADR S.p.A. and Alitalia S.p.A. to move the airline's cargo activity to Cargo City, in the first half of the year the project to convert Cargo AZ to a BHS specifically for flights at Terminal A was completed, and civil engineering works were initiated. Works to enlarge Alitalia's cargo warehouse at Cargo City were also completed.

Two preliminary projects are awaiting approval by the Civil Aviation Authority regarding the installation of solar panels in two areas: on the workshop roof during 2009 and at the long-stay car park during 2010.

A new control room for firefighters is scheduled to be built during 2009.

The three-year contract regarding the operation and maintenance of air conditioning and water and sprinkler systems at Fiumicino airport (Global Service) is in the process of being awarded.

Runways and aprons.

Work was completed on upgrading the "BA" connecting runway, utilized by aircraft taking off from runway 2, to strengthen the paving. This runway is especially subject to heat and chemicals emitted by aircraft waiting to take off.

Works on runway 1 and the Alfa taxiway between the "AC" and "AF" connecting runways were completed. The following works have been completed: structural upgrading of the runway paving, of the section of the Alfa taxiway between the "AB" connecting runway and the intersection with runway 2 and between connecting runways "BD" and "BH", and of the relative connecting runways; upgrading of the runway's strip; construction of two new fast exits for landings from the south, thereby increasing the runway's landing capacity; implementation of the luminous sign system for operations carried out in conditions of low visibility for all runway infrastructure; and enlargement of the anti-dust sections of the taxiway and connecting runways to upgrade the whole of the runway to handle the new generation class F aircraft (A 380s).

Works on upgrading of the Alfa taxiway between the intersection with the runway 25 and the "AD" connecting runway and the related AVL signs were also completed.

Works were completed on runway 1 regarding the individual lamp monitoring system for operations in Cat. III low visibility conditions. The relative certificate of compliance was issued by the Civil Aviation Authority.

Roadworks are in progress on the runway 07/25 underpass, which will be completed by the end of 2009. The road signs for aircraft aprons were upgraded in accordance with Civil Aviation Authority directives.

As regards Ciampino airport, work on upgrading the area in front of the hangar will be completed in February 2009; the paving of runway 15/33 will be upgraded during the same period.

Airport Development Plan.

The Civil Aviation Authority's inquiry regarding the Airport Development Plan for 2008-2020 continued. This planning tool envisages infrastructure development at the airport in two phases – 2008-2013 and 2014-2020 – via a series of works aimed at optimizing the use of the grounds at Fiumicino airport. The Civil Aviation Authority requested supplementary information regarding the new traffic scenarios. The inquiry will be completed with the granting of the technical go-ahead. It will then be possible to submit an environmental impact study to set in motion the environmental impact assessment procedure.

During the third quarter, ADR began collaborating with Changi Airport Consulting (CAC), a subsidiary of Singapore's airport operating company. CAC will also provide extensive consultancy regarding the Airport Development Plan in the medium term as well as long-term development Guidelines. Work is expected to be completed by the end of April 2009.

ADR has signed a preliminary agreement with the Civil Aviation Authority regarding the operation of Lazio's third airport in Viterbo. In accordance with the agreement, ADR prepared a technical and operational prefeasibility document, a preliminary environmental study and an airport infrastructure prefeasibility document. These documents enabled an initial dialog with the members of "steering committee" specifically set up to coordinate the start-up of the new airport. In continuation of planning activities, in December ADR commissioned the company, IATA, to prepare a development plan for Viterbo airport, to be submitted to the Civil Aviation Authority by the end of April 2009.

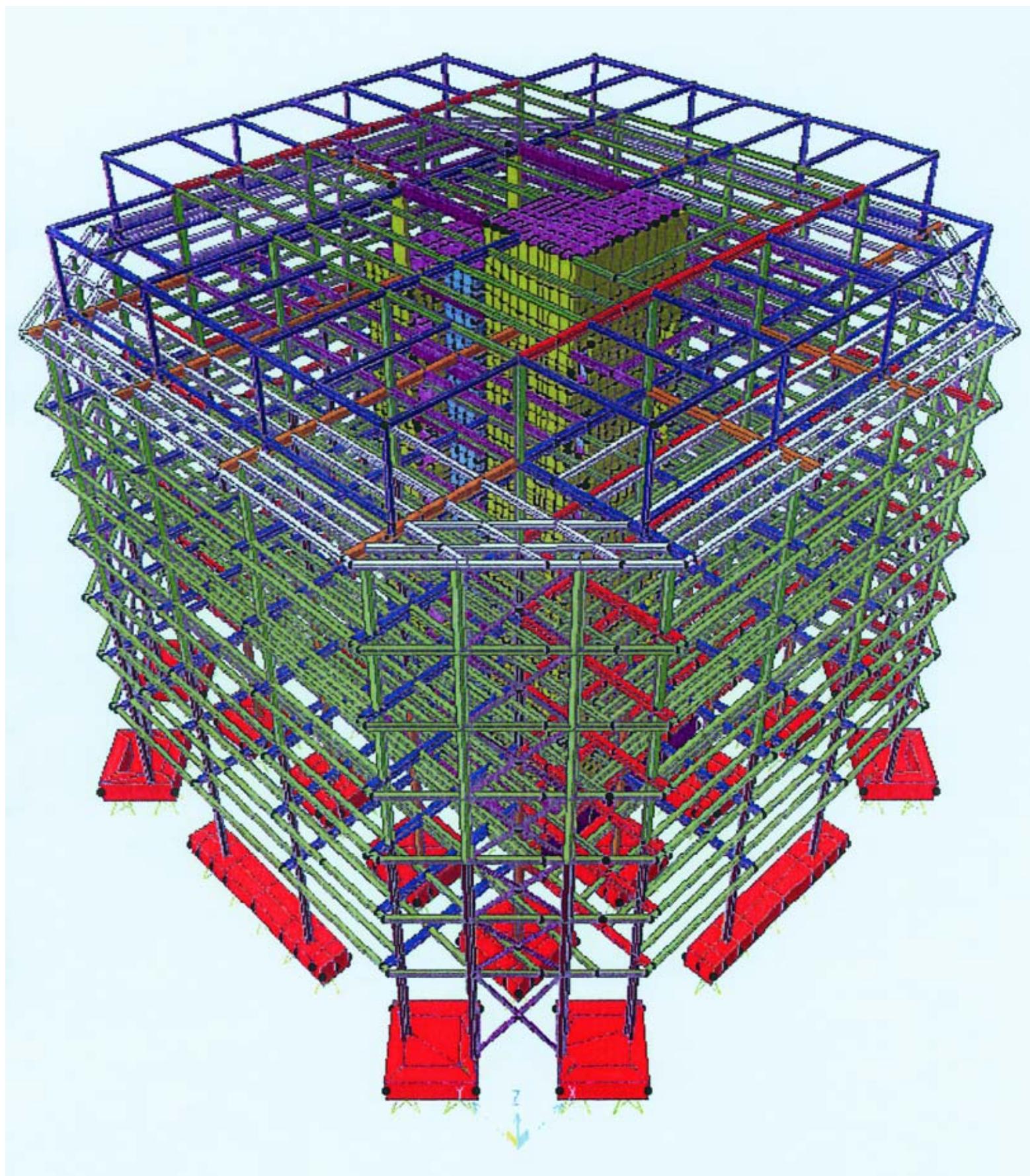
Research and development.

The ADR Group did not carry out any research and development activities during 2008.

Group personnel.

Group headcount at December 31, 2008.

The changes registered in headcount between December 31, 2007 and December 31, 2008 do not include the cargo business that was sold at the end of the previous year.



On this basis, the headcount as of December 31, 2008 was 2,568, broken down by category and type of contract as follows:

^(*) Excluding the effect of the cargo business in 2007.	Category	12.31.2008	12.31.2007 ^(*)	Δ
	Managers	59	57	2
	Supervisors	214	210	4
	White-collar	1,659	1,619	40
	Blue-collar	636	435	201
	Total Group	2,568	2,321	247
	<i>including:</i>			
	<i>on permanent contracts</i>	1,899	1,655	244
	<i>on temporary contracts</i>	669	666	3

and broken down by Group's Companies as follows:

^(*) Excluding the effect of the cargo business in 2007.	Company	12.31.2008			12.31.2007 ^(*)			Δ	Δ	Δ
		Perm. contract	Temp. contract	Total	Perm. contract	Temp. contract	Total	Perm. contract	Temp. contract	Total
	ADR S.p.A.	1,668	568	2,236	1,587	666	2,253	81	(98)	(17)
	ADR Engineering S.p.A.	44	3	47	39	0	39	5	3	8
	ADR Tel S.p.A.	17	0	17	18	0	18	(1)	0	(1)
	ADR Advertising S.p.A.	10	1	11	11	0	11	(1)	1	0
	ADR Assistance S.r.l.	160	97	257	0	0	0	160	97	257
	Total Group	1,899	669	2,568	1,655	666	2,321	244	3	247

The Group's headcount rose by 247 compared with December 31, 2007.

This increase primarily derives from the incorporation of the new company dedicated to managing assistance services to passengers with reduced mobility, ADR Assistance S.r.l., which was set up as a solution to the provisions of EC Regulation no. 1107/2006 regarding disabled people's rights.

The new Company, established pursuant to the "social clause" of the current National Collective Labor Contract, took on staff from amongst the operators, carriers and handlers who previously directly provided this service at Fiumicino and Ciampino airports.

ADR Engineering S.p.A.'s headcount increased by 8, in connection with design activities regarding the Airport Development Plan.

At Group level, the greater number of permanent contracts, during both periods under comparison, is linked to the start-up of ADR Assistance S.r.l. and the new legislation regarding the repetition of temporary contracts (Law no. 247/2007).

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Average Group headcount from January 1 to December 31, 2008.

The average headcount between January 1 and December 31, 2008 is 2,327.2 full-time equivalents, broken down by category and type of contract as follows:

Category	12.31.2008	12.31.2007 ^(*)	Δ
Managers	60.1	57.8	2.3
Supervisors	216.0	200.1	15.9
White-collar	1,531.2	1,471.8	59.4
Blue-collar	519.9	572.7	(52.8)
Total Group	2,327.2	2,302.4	24.8
<i>including:</i>			
<i>on permanent contracts</i>	1,716.7	1,745.7	(29.0)
<i>on temporary contracts</i>	610.5	556.7	53.8

^(*) Including the effect of the cargo business in 2007.

and broken down by Group's companies as follows:

Company	12.31.2008			12.31.2007 ^(*)			Δ	Δ	Δ
	Perm. contract	Temp. contract	Total	Perm. contract	Temp. contract	Total			
ADR S.p.A.	1,578.0	565.9	2,143.9	1,678.2	555.9	2,234.1	(100.2)	10.0	(90.2)
ADR Engineering S.p.A.	43.3	3.6	46.9	38.0	0.0	38.0	5.3	3.6	8.9
ADR Tel S.p.A.	17.7	0.0	17.7	20.1	0.0	20.1	(2.4)	0.0	(2.4)
ADR Advertising S.p.A.	10.4	0.3	10.7	9.4	0.8	10.2	1.0	(0.5)	0.5
ADR Assistance S.r.l.	67.3	40.7	108.0	0.0	0.0	0.0	67.3	40.7	108.0
Total Group	1,716.7	610.5	2,327.2	1,745.7	556.7	2,302.4	(29.0)	53.8	24.8

^(*) Including the effect of the cargo business in 2007.

For the Group, the average headcount rose by 24.8 full-time equivalents, is mainly connected with the incorporation of ADR Assistance (up 108 full-time equivalents). This effect is offset by the downturn at ADR S.p.A. (down 90 full-time equivalents) deriving from various organizational and operational factors, including:

- sale of the cargo business (down 247 full-time equivalents);
- implementation of the National Security Plan (up 65 full-time equivalents);
- opening of Terminal 5 (up 50 full-time equivalents);
- traffic growth of 3.3% (up 14 full-time equivalents);
- new commercial initiatives (up 7 full-time equivalents);
- operations connected with the customs building (up 5 full-time equivalents);
- expansion of various organizational structures (up 16 full-time equivalents).

The economic downturn and the operating schedule of the new Italian Air Company (Compagnia Aerea Italiana - CAI) only marginally affected the composition of Group headcounts, whilst having a greater impact on staff on temporary contracts engaged in operational activities in the last two months of the year.

Organizational aspects.

The major organizational events during the year included:

- modification of the Group's structure with the incorporation – in implementation of EC Regulation no. 1107/2006 – of ADR Assistance S.r.l., a company dedicated to providing assistance to passengers with reduced mobility;
- reorganization of ADR S.p.A.'s corporate governance model, in line with the Board of Directors' resolution of December 5, 2008.

Regarding the individual Departments of the Parent Company, ADR, certain changes to the relative organizational models were implemented during the year with a view to encouraging the Company to adopt a more direct approach to the marketplace.

Also important on the organizational front, was the implementation of the backup process for invoices payable, regarding which a Backup Manager was appointed pursuant to art. 5, Resolution no. 11/2004, CNIPA (National Center for Information Technology in Public Administration).

Industrial relations.

The positive relationship with the Labor Unions, at the various levels of local representation, was manifested during the year with the signing of agreements aimed, on the one had, at improving organizational flexibility (part-time work) and, on the other, the launch of new activities (ADR Assistance S.r.l.).

Regarding airport-related business, important collaboration took place with the Special Commissioners of Cisim Food S.p.A., resulting in the gradual preparation of the sale of the business to third parties.

At national level, negotiations were entered into regarding renewal of the National Collective Labor Contract, which expired on December 31, 2007.

Recruitment and selection activities and training and refresher courses.

During 2008, in addition to the routine activities carried out to maintain the pool of temporary staff for ADR S.p.A., the primary aim of recruitment and selection activities was to identify specific job descriptions for assisting passengers with reduced mobility.

Including participation in specialized courses, over 6,200 hours of training were provided to 480 trainees.

The activities focused on three major areas:

- development of managerial skills ("The Wings of Leadership"), a development course designed in-house based on the latest trends in this field;

- improvement of cross-cutting skills (time management, problem solving, effective communication, etc.), with classroom activities aimed at inter-departmental groups of professionals with a total of around 70 participants;
- improvement of customer service and care (“Kaizen” and “Return on relationship”), built on the results of the 2007 company survey, with the first course aimed at 60 operational staff.

Specific funding (Fondimpresa) was substantially used to recover costs sustained.

Moreover, a series of refresher courses on Legislative Decree no. 231/2001 were given to 214 managers and professionals. Finally, a training course was launched on certification for the benefit of internal auditors, which will finish in early 2009.

In-house training included more than 24,000 hours of courses, of which 50% were devoted to Flightcare Italia and the remainder to Group companies.

Training courses were also sold and provided to the airports of Genoa, Bologna, Catania, Ancona and Parma.

Health and safety at the workplace, emergency management, data protection and corporate social responsibility.

Substantial health and safety innovations were introduced by Legislative Decree no. 81/2008, which led to the updating of the risk assessment documents of all Group companies. In the case of ADR Assistance, the document was written from scratch, based on the characteristics of the new activity.

In accordance with art. 26 of this legislation, verification of the suitability of technical aspects of the health and safety organization of external companies with whom ADR signs contracts was concluded.

Moreover, documents to assess interference risk regarding contracts with contractors, suppliers and external professionals were prepared.

Updating of assessments was completed regarding health and hygiene risks concerning vehicle maintenance (chemical hazards, noise, physical handling of loads, etc.) and the activities of ADR Assistance (assessment of the physical handling of loads), whilst similar activities were launched in the remaining areas.

Of particular importance was the preparation of Guidelines for creating an Organization and Management Model, with absolving effect regarding the Company's administrative responsibility in accordance with the provisions of art. 30 of Legislative Decree no. 81/2008.

A large number of emergency drills were carried out in collaboration with the public authorities operating at the managed airports, which also regarded activation of a new automatic alarm system.

Group activities regarding information and training on data protection continued, with special attention given to the First Aid Center and ADR Assistance, given the special nature of their activities. The security planning document was updated within the terms of the law.

On the corporate social responsibility front, various initiatives were promoted during the year aimed at facilitating contact between Group personnel and the world of social responsibility.

A highlight, given the importance of the issue, was the week dedicated to health and safety at the workplace, aimed at drawing maximum attention to the issue and encouraging the active participation of all members of staff.

As usual, many training and information activities regarding health and safety issues for internal and external personnel took place. Consequently, the number of working hours lost as a result of accidents fell, as highlighted by the accident seriousness index (down 53% in the observation period 2002-2008).

Corporate transactions.

In implementation of the European Commission's Regulations regarding the disabled and persons with reduced mobility traveling by air, the Parent Company ADR S.p.A., whilst maintaining its direct responsibility as airport operator, decided to entrust provision of the assistance services envisaged by these Regulations to a newly established subsidiary undertaking.

Therefore, on June 23, 2008 ADR Assistance S.r.l. - Unipersonale was incorporated with initial share capital of 10,000.00 euros, fully subscribed by ADR S.p.A., with the purpose of managing ground airport assistance services to the disabled and persons with reduced mobility within the Roman airport system. The Company will be able to provide any other support function to passengers that does not fall within the scope of handling activities, as defined by current legislation.

The Company started operating on July 16, 2008, and on August 5, 2008 the Company's General Meeting approved a capital increase from 10 thousand euros to 6 million euros, fully paid in by the sole shareholder, ADR S.p.A., at the same time.

In implementation of the provisions of the business cooperation agreement signed in 2005, on March 26, 2008 ADR S.p.A. and Sistemi di Energia S.p.A. incorporated a limited liability consortium called "Leonardo Energia - Società consortile a r.l.", with its registered office in Milan and share capital of 10,000 euros; ADR S.p.A. has a 10% stake (1,000 euros) in the Company.

The Company has been set up to manage the co-generation plant that is nearing completion at Fiumicino airport. The aim is to jointly coordinate the business activities of the consortium partners regarding the production, transformation and transport of electric and thermal power.

The Extraordinary General Meeting of the investee company, Aeroporto di Genova S.p.A., resolved to increase the

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company's share capital from 4,648,140.00 euros to 7,746,900.00 euros via the issue of 6,000 new shares with a par value of 516.46 euros each, to be offered to shareholders in proportion to the number of shares held.

The General Meeting fixed January 31, 2008 as the deadline by which to exercise the related options and declare the exercise of pre-emption rights in respect of any unexercised options. The same Meeting also fixed February 28, 2008 as the deadline by which to pay in the residual amounts owed by individual shareholders. ADR S.p.A.'s investment is represented by 900 new shares with a total value of 464,814.00 euros.

On January 14, 2008, ADR S.p.A. exercised right of option on 900 new shares, with payment by January 31, 2008, pursuant to art. 2439 of the Italian Civil Code, of 25% of the par value (116,203.50 euros), and the remaining amount of 348,610.50 euros to be paid by February 28, 2008.

The ADR Group's financial position and operating results.

Reclassified consolidated income statement ⁽³⁾ (in thousand of euros)	2008		2007		Change	⁽³⁾ Reference should be made to the section entitled "Reconciliation of the reclassified schedules used in the Management Report on Operations and those used in the Financial Statements" regarding reconciliation of the reclassified Income Statement with the mandatory Income Statement schedule.
A. - REVENUES	570,132	100.0%	556,616	100.0%	13,516	
Capitalized costs and expenses	8,678		5,309		3,369	
B. - REVENUES FROM ORDINARY ACTIVITIES	578,810		561,925		16,885	
Cost of materials and external services	(210,266)	(36.9%)	(187,314)	(33.7%)	(22,952)	
C. - GROSS MARGIN	368,544	64.6%	374,611	67.3%	(6,067)	
Payroll costs	(118,989)	(20.9%)	(118,276)	(21.2%)	(713)	
D. - GROSS OPERATING INCOME	249,555	43.8%	256,335	46.1%	(6,780)	
Amortization and depreciation	(104,852)		(98,070)		(6,782)	
Other provisions	(2,580)		(5,524)		2,944	
Provisions for risks and charges	(582)		(7,311)		6,729	
Other income (expense), net	(45,199)		(1,085)		(44,114)	
E. - OPERATING INCOME	96,342	16.9%	144,345	25.9%	(48,003)	
Financial income (expense), net	(81,659)	(14.3%)	(78,557)	(14.1%)	(3,102)	
F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	14,683		65,788		(51,105)	
Extraordinary income (expense), net	(4,653)		(425)		(4,228)	
G. - INCOME BEFORE TAXES	10,030		65,363		(55,333)	
Income taxes for the year	(28,299)		(42,914)		14,615	
Deferred tax assets	10,604		(3,531)		14,135	
H. - NET INCOME FOR THE YEAR	(7,665)		18,918		(26,583)	
<i>including:</i>						
– <i>Minority interest</i>	605		1,027		(422)	
– <i>Group interest</i>	(8,271)		17,891		(26,162)	

In 2008 the Group reported overall traffic growth compared with the previous year (passengers up 4.4%; movements up 1.4%), only thanks to the positive trend during the first part of the year (which benefited from Alitalia's strategy to reallocate flights to Fiumicino). Indeed, as of the second quarter, the Alitalia crisis and the international economic downturn led to steady reduction in traffic.

Consequently, this traffic growth is not reflected in a similar improvement in net results.

Revenue performance, which is now irreversibly affected by the lasting failure to raise regulated fees, and the rise in Company costs provoked by an inflationary spiral and rising energy costs – both of which had substantial impact in 2008 – led to further whittling down of the Group's profit margins.

Indeed total Group revenues rose by only 2.4%, largely thanks to "non-aviation" earnings which rose by 5.8%, whilst "aviation" earnings registered a decrease of 0.6%.

It should be pointed out that any assessment of these performances should also take into account that the earnings from the cargo handling business – which was sold off at the end of 2007 – are no longer included in total Group revenue. In the last year of operation by ADR, such earnings amounted 16.9 million euros. This reduction was almost entirely offset by increases of 6.1% in airport fees and of 4.1% from centralized infrastructures, as well as revenues of 4.8 million euros generated by the new assistance service to passengers with reduced mobility, launched in July, provided by the subsidiary undertaking ADR Assistance S.r.l..

The sound performance of the "non-aviation" segment was especially due to the higher earnings generated by "sub-concessions and utilities" (up 5.9%), primarily deriving from the good results achieved by the sales of sub-concessionnaires – thanks to product quality improvement in the "retail" and "food & beverage" segments – as well as the earnings from the sub-concession of the cargo business which, as already mentioned, was transferred to a third-party operator at the beginning of the year.

Direct retail sales also performed well, benefiting from an improved product range and the passenger mix arising from the transfer of Alitalia flights to Fiumicino. Revenues grew by 8.3%, ahead of outgoing passenger traffic growth (up 4.5%).

Revenues from the management of car parks, however, were down 1.5%, due to a reduction in outgoing passengers, whilst revenues from the sale of advertising space also fell (down 5.2%) on the back of the downturn that has hit the whole advertising sector.

The consumption of materials and external services rose by 12.25%, primarily due to an increase in the cost of goods for resale and of external services, especially higher utility costs deriving from hikes in gas and electricity prices.

Payroll costs rose by 0.6% due to an increase of 24.8 in the workforce, a different staff mix, and the effect of non-recurring cost items.

EBITDA, amounting to 249.6 million euros, was therefore down 2.6% on 2007.

EBIT, amounting to 96.3 million euros, was heavily impacted by the loss on receivables arising from the insolvency procedure concerning Alitalia group companies. This loss, totaling 42.4 million euros, classified under "other income and expense", corresponds to the value of amounts due to the ADR Group in the period prior to application of the insolvency procedure to the Alitalia group, which froze these receivables. Regarding the total amount of this credit, totaling 57.6 million euros, the Income Statement was not affected by passenger surcharge receivables (which are offset under "taxes due"), receivables covered by guarantees and receivables covered by provisions for doubtful accounts allocated in previous years.

EBIT was also influenced by higher amortization and depreciation of 6.8 million euros, whilst provisions for risks and charges and doubtful accounts decreased by 9.7 million euros.

The sharp rise in interest rates, due to the turbulent state of financial markets, which only had an impact towards the end of the year, was reflected in the cost of borrowing. This was only partly mitigated by partial restructuring of debt implemented in the first quarter and completed in June, via a loan obtained from EIB with more favorable conditions and for a total amount approximately 19 million euros less than the borrowings previously repaid with ADR S.p.A. funds. Therefore, net financial expense rose by 3.1 million euros with respect to 2007.

Pre-tax income was negatively impacted by penalties, classified under extraordinary items, imposed by the Antitrust Authority relating to the procedure regarding certain airport fees charged and the procedure regarding advertising in ADR S.p.A. shops, totaling 1.9 million euros.

As well as reflecting the reduction in taxable income, total estimated taxation for the year, which was down 28.8 million euros on 2007, includes the positive effect of the reversal of deferred taxation deriving from accelerated depreciation, in connection with the decision to release this item via payment of substitute tax.

The ADR Group reported a net loss of 8.3 million euros in 2008, compared with the net income of 17.9 million euros registered in the previous year.

⁽⁴⁾ Reference should be made to the section entitled "Reconciliation of the reclassified schedules used in the Management Report on Operations and those used in the Financial Statements" regarding reconciliation of the reclassified Balance Sheet with the mandatory Balance Sheet schedule.

Reclassified consolidated balance sheet ⁽⁴⁾ (in thousand of euros)	12.31.2008	12.31.2007	Change
A. - NET FIXED ASSETS			
Intangible fixed assets (*)	1,991,210	2,020,140	(28,930)
Tangible fixed assets	170,528	137,665	32,863
Non-current financial assets	3,414	3,121	293
	2,165,152	2,160,926	4,226
B. - WORKING CAPITAL			
Inventory	21,922	19,059	2,863
Trade receivables	157,953	149,913	8,040
Other assets	37,154	24,463	12,691
Trade payables	(162,221)	(148,422)	(13,799)
Allowances for risks and charges	(29,538)	(29,637)	99
Other liabilities	(106,733)	(82,986)	(23,747)
	(81,463)	(67,610)	(13,853)
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	2,083,689	2,093,316	(9,627)
D. - EMPLOYEE SEVERANCE INDEMNITIES	37,392	37,843	(451)
E. - INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D)	2,046,297	2,055,473	(9,176)
financed by:			
F. - SHAREHOLDERS' EQUITY			
– Group interest	722,797	731,068	(8,271)
– Minority interest	1,554	1,971	(417)
	724,351	733,039	(8,688)
G. - MEDIUM/LONG-TERM BORROWING	1,493,369	1,512,519	(19,150)
H. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)			
– short-term borrowing	16,873	17,471	(598)
– cash and current receivables	(188,296)	(207,556)	19,260
	(171,423)	(190,085)	18,662
(G+H)	1,321,946	1,322,434	(488)
I. - TOTAL AS IN "E" (F+G+H)	2,046,297	2,055,473	(9,176)
(*) including the value of the concession totaling	1,749,569	1,798,853	(49,284)

As of December 31, 2008 the ADR Group's "invested capital" amounts to 2,046.3 million euros, representing a decrease of 9.2 million euros compared with the end of the previous year, due to the combined effect of a reduction in working capital and an increase in net assets.

The Parent Company's substantial infrastructure investment program was reflected in a rise in fixed assets of 4.2 million euros.

"Working capital" – down by a total of 13.9 million euros – was also affected by the growth of investment, which led to an increase of 13.8 million euros in trade payables.

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“Other liabilities” registered a sharp rise (23.8 million euros), primarily due to an increase in taxes due (7.3 million euros), deriving from estimated taxation for the period, the higher amount due for firefighting services (7.9 million euros) and an increase in amounts due for the municipal surcharge (10.7 million euros). The latter is due to the 2 euros increase as of November 2008, and the non-collection of amounts due from Alitalia before the company went into special administration.

An increase of 8.0 million euros in trade receivables, which were affected by the repercussions of the Alitalia group crisis and, to a lesser extent, growth in turnover volumes, had an opposite effect on working capital. “Other assets” also increased by 12.7 million euros during the period, primarily due to a rise in tax credits.

In terms of funding, the reduction in invested capital is almost entirely reflected in the 8.7 million euros decrease in “shareholders’ equity”, due to the net loss reported for the year.

The Group’s “net debt”, amounting to 1,321.9 million euros, registered only a slight fall of 0.5 million euros compared with the end of the previous year, albeit with a different composition of the long- and medium-term components.

Consolidated Net debt (in thousand of euros)	12.31.2008	12.31.2007	Change
Due to banks	293,350	247,500	45,850
Due to other financial institutions	1,200,019	1,265,019	(65,000)
A. - MEDIUM/LONG-TERM BORROWING	1,493,369	1,512,519	(19,150)
Due to banks	2,966	2,831	135
Due to other financial institutions	13,907	14,640	(733)
Short-term borrowing	16,873	17,471	(598)
Receivables due from others	(45,935)	(48,386)	2,451
Cash on hand and in banks	(142,361)	(159,170)	16,809
Cash and current receivables	(188,296)	(207,556)	19,260
B. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)	(171,423)	(190,085)	18,662
NET DEBT (A+B)	1,321,946	1,322,434	(488)

In detail, an overall reduction of 19.2 million euros was reported in the medium/long-term component deriving from the operation to repay a portion of bank loans and the loan granted by Romulus Finance S.r.l., concluded in March, which was partly refinanced via use of the EIB line of credit.

In line with the strategy designed to restore adequate ratings, on February 4, 2008 the Parent Company, ADR S.p.A., notified the “Security Agent”, Mediobanca S.p.A., of its irrevocable intention to effect voluntary early repayment, on March 20, 2008, of the line of credit granted by Romulus Finance S.r.l., called “Loan B” and amounting to 65.0 million euros.

On March 20, 2008, in addition to repayment of “Loan B” of 65.0 million euros, ADR S.p.A. also partially repaid in advance the “Term Loan Facility” (21.4 million euros) and the line of credit (12.75 million euros) granted by BIIS

- Banca Infrastrutture Innovazione e Sviluppo (formerly Banca OPI) from the Intesa Sanpaolo group.

Early repayment of the loan was initially carried out by using available liquidity, and then, with the prior consent of the lenders, largely refinanced. Indeed, on May 27, 2008, taking advantage of better conditions compared with the previous borrowings, ADR S.p.A. took out a new 80 million euros loan from the European Investment Bank (EIB) with a guarantee provided by BIIS.

The new 10-year EIB loan falls due in 2018, with full redemption on maturity, and includes payment of floating rate interest on a quarterly basis. The nature of this floating rate loan, which is similar to the previous loan, enabled the current interest rate hedge to be kept unaltered.

Like all other loans, the EIB-BIIS loan will come within a contractual framework entailing specific rules and obligations that protect the lenders.

The repayment operation was reflected in a reduction, albeit small (18.3 million euros), in net liquidity which stood at 188.3 million euros at December 31, 2008.

Consolidated Statement of cash flow (in thousand of euros)	2008	2007
A. - NET CASH AND CASH EQUIVALENTS - OPENING BALANCE	190,085	162,540
B. - CASH FLOW FROM (FOR) OPERATING ACTIVITIES		
Net income (loss) for the year	(7,665)	18,918
Amortization and depreciation	104,852	98,070
(Gains) losses on disposal of fixed assets	(85)	(1,437)
(Revaluations) write-downs of fixed assets	(4)	(13)
Net change in working capital	13,853	47,763
Net change in "employee severance indemnities"	(451)	(3,839)
	110,500	159,462
C. - CASH FLOW FROM (FOR) INVESTING ACTIVITIES		
Investment in fixed assets:		
– intangible	(64,790)	(53,500)
– tangible	(44,347)	(31,650)
– financial	(608)	(6)
Proceeds from disposal, or redemption value of fixed assets	755	4,733
	(108,990)	(80,423)
D. - CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
New loans	80,000	0
Repayments of loans	(99,150)	0
	(19,150)	0
E. - DIVIDENDS PAID	(1,022)	(51,494)
F. - CASH FLOW FOR THE YEAR (B+C+D+E+F)	(18,662)	27,545
G. - NET CASH AND CASH EQUIVALENTS - CLOSING BALANCE (A+G)	171,423	190,085

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The Group's operating cash flow amounted to 110.5 million euros in 2008, after the servicing of debt falling due. Internally generated resources made it possible to entirely cover the rising net cost of self-financed investments (109.0 million euros, compared with 80.4 million euros in 2007).

The early repayment of a portion of medium/long-term loans, totaling 99.2 million euros, refinanced for an amount of 80.0 million euros via recourse to the EIB line of credit, was carried out using free cash flow of 19.2 million euros available at the beginning of the period; the Group's net liquidity therefore stood at 171.4 million euros at the end of the year.

Consolidated Analysis of net debt (in thousand of euros)	2008	2007
A. - NET FINANCIAL BORROWING - OPENING BALANCE	(1,322,434)	(1,349,979)
EBITDA	249,555	256,335
Net change in operating working capital	(42,081)	(2,914)
Net change in employee severance indemnities	(451)	(3,839)
Other income (expense), net ^(a)	(2,887)	(1,138)
Extraordinary income (expense), net	(5,177)	(1,838)
Current taxes paid	(20,511)	(16,576)
Other assets/liabilities (included allowances for risks and charges)	14,005	7,956
B. - OPERATING CASH FLOW	192,453	237,985
Capex (tangibles, intangibles and financial)	(109,745)	(85,156)
Proceeds from disposal, or redemption value of fixed assets	755	4,733
C. - FREE CASH FLOW	83,463	157,562
Financial income (expense), net	(81,953)	(78,523)
Dividends paid	(1,022)	(51,494)
D. - NET CASH FLOW OF THE YEAR	488	27,545
F. - NET FINANCIAL BORROWING - CLOSING BALANCE (A+E)	(1,321,946)	(1,322,434)

Reconciliation of the reclassified schedules used in the Management Report on Operations and those used in the Financial Statements.

Reclassified Income Statement.

The Income Statement was reclassified on a "value-added" basis, which shows the contribution of the various operational areas: ordinary, financial and extraordinary.

Reclassified Income Statement items may be directly deduced from the mandatory schedules, except for the items and their relative sub-items shown below:

Item reclassified Income Statement	Item Income Statement
REVENUES	Revenues from sales and services Changes in contract work in progress Other income and revenues: revenue grants
COSTS OF MATERIALS AND EXTERNAL SERVICES	Operating costs: raw, ancillary and consumable materials and goods for resale Operating costs: services Operating costs: leases Other income and revenues: other - expense recoveries (-) Changes in inventories of raw, ancillary and consumable materials and goods for resale Sundry operating costs: license fees
PAYROLL COSTS	Operating costs: payroll Other income and revenues: other - recoveries of personnel expenses
AMORTIZATION	Depreciation, amortization and write-downs: amortization of intangible fixed assets Depreciation, amortization and write-downs: depreciation of tangible fixed assets
OTHER PROVISIONS	Depreciation, amortization and write-downs: provisions for doubtful accounts
PROVISIONS FOR RISK AND CHARGES	Provisions for risks Other provisions
OTHER INCOME (EXPENSE), NET	Other income and revenues: profits on disposals Other income and revenues: others (except of expense recoveries and of recoveries of personnel expenses) Sundry operating costs: losses on disposals Sundry operating costs: other

The reclassified Income Statement is also used in the calculation of profitability ratios, which are presented in the section “highlights” in this Management Report on Operations.

Reclassified Balance Sheet.

The Balance Sheet was reclassified in accordance with the “managerial relevance” criterion, which shows the division between invested capital and fixed capital (fixed assets) and working capital (working capital), and also between the relative sources of funding, represented by self-financing (shareholders’ equity) and borrowing (medium/long-term borrowing and short-term net borrowing).

Reclassified Balance Sheet items may be directly deduced from the mandatory financial schedules, except for the items and their relative sub-items shown below:

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Item reclassified Balance Sheet	Item Balance Sheet
TRADE RECEIVABLES	Receivables: due from clients Receivables: due from associated undertakings Receivables: due from parent companies
OTHER ASSETS	Receivables due from associated undertakings - other relations Receivables due from parent companies - other relations Receivables due from tax authorities Receivables deferred tax assets Receivables due from others - other relations Accrued income and prepaid expenses
TRADE PAYABLES	Advances Due to suppliers Due to subsidiary undertakings - trading relations Due to parent companies - trading relations
OTHER LIABILITIES	Due to subsidiary undertakings - other relations Due to parent companies - other relations Taxes due Due to social security agencies Other payables - other relations Accrued expenses and deferred income
MEDIUM/LONG-TERM BORROWING	Payables due to banks - beyond 12 months Payables due to other financial institutions - beyond 12 months
SHORT TERM BORROWING	Payables due to banks - within 12 months Payables due to other financial institutions - within 12 months
CASH AND CURRENT RECEIVABLES	Receivables due from others - financial relations Cash on hand and in banks

The reclassified Balance Sheet is also used in the calculation of ratios regarding profitability, strength of assets, solvency and liquidity, which are presented under “highlights” in this Management Report on Operations.

ADR S.p.A. operating review.

Investment.

In 2008 the Company continued infrastructure and plant development projects at Fiumicino and Ciampino airports, carrying out works amounting to 109,918 thousand euros (86,693 thousand euros in 2007). For a detailed analysis of the principal works carried out, reference should be made to the section that deals with “Group investment”.

Research and development.

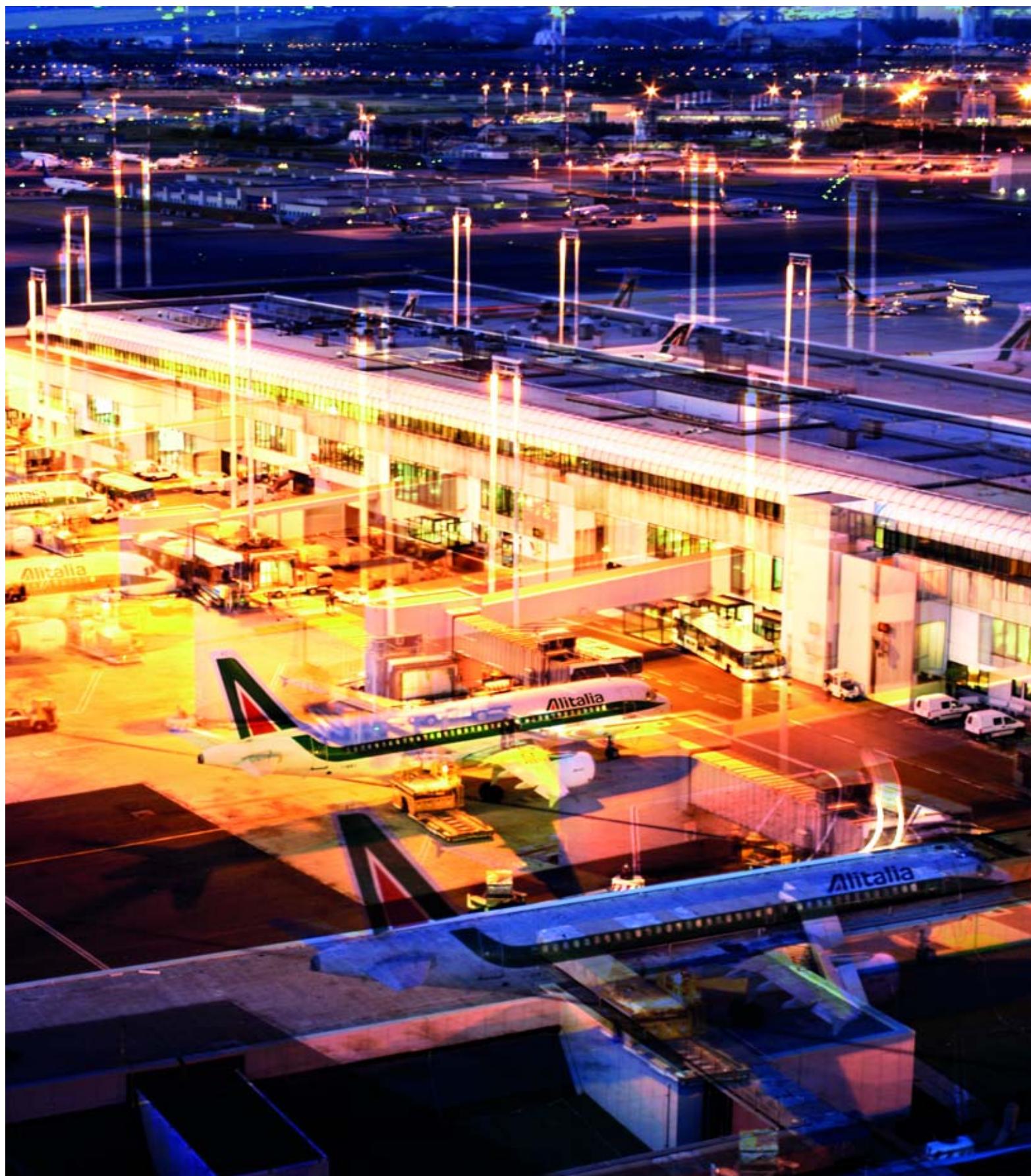
ADR S.p.A. did not carry out any research and development activities in 2008.

Personnel.

The headcount as of December 31, 2008, including staff on temporary contracts, was 2,236 broken down as follows:

Category	12.31.2008	12.31.2007	Δ
Managers	52	50	+2
Supervisors	190	192	(2)
White-collar	1,579	1,576	+3
Blue-collar	415	435	(20)
Total ADR	2,236	2,253	(17)
<i>including:</i>			
<i>on permanent contracts</i>	<i>1,668</i>	<i>1,587</i>	<i>+81</i>
<i>on temporary contracts</i>	<i>568</i>	<i>666</i>	<i>(98)</i>

For further information reference should be made to the section on “Group personnel”.



ADR S.p.A.: financial position and operating results.

⁽⁵⁾ Reference should be made to the section "The ADR Group's financial position and operating results" in the paragraph entitled "Reconciliation of the reclassified schedules used in the Management Report on Operations and those used in the Financial Statements" regarding reconciliation of the reclassified Income Statement with the mandatory Income Statement schedule.

ADR S.p.A.: Reclassified income statement ⁽⁵⁾ (in thousand of euros)	2008	2007	Change
Revenues from sales and services	562,702	548,748	13,954
Contract work in progress	2,990	290	2,700
A. - REVENUES FROM ORDINARY ACTIVITIES	565,692	100.0%	549,038
Cost of materials and external services	(209,926)	(37.1%)	(183,533)
B. - GROSS MARGIN	355,766	62.9%	365,505
Payroll costs	(107,953)	(19.1%)	(112,750)
C. - GROSS OPERATING INCOME	247,813	43.8%	252,755
Amortization and depreciation	(104,733)		(98,093)
Other provisions	(2,486)		(5,420)
Provisions for risks and charges	(390)		(7,301)
Other income (expense), net	(44,785)		(1,091)
D. - OPERATING INCOME	95,419	16.9%	140,850
Financial income (expense), net	(80,615)		(77,163)
E. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	14,804		63,687
Extraordinary income (expense), net	(4,761)		(660)
F. - INCOME BEFORE TAXES	10,043		63,027
Income taxes for the year:			
– current taxes	(26,676)		(40,659)
– deferred tax assets (liabilities)	9,585		(3,436)
	(17,091)		(44,095)
G. - NET INCOME (LOSS) FOR THE YEAR	(7,048)		18,932
			(25,984)

The Group's traffic performance reported for 2008 is closely reflected in the results posted by the Parent Company, ADR S.p.A..

Indeed, the Alitalia crisis and the global economic downturn provoked an increasingly acute reversal of the growth trend registered in the first eight months of the year.

Revenue volumes, already affected by the chronic freezing of aviation sector fees, were further penalized by the above-mentioned factors, with an overall negative impact that was also reflected in key profit margins.

Poor revenue performance, compounded by increased costs provoked by an inflationary spiral and rising energy costs – both of which had substantial impact in 2008 – led to contraction of EBITDA.

ADR S.p.A. reported revenue growth of only 3.0%, essentially due to the contribution made by "non-aviation" activities, which rose by 7.2%, whilst "aviation" activities registered a decrease of 0.6%.

Also regarding the Parent Company, assessment of “aviation” segment performance should also take into account that the earnings from cargo handling business – which was sold off at the end of 2007 – are no longer included. In the last year of operation by ADR, such earnings amounted to 16.9 million euros. This reduction was almost entirely offset by increases of 6.1% in airport fees and of 4.1% from centralized infrastructures, as well as revenues of 4.8 million euros generated by the new assistance service to passengers with reduced mobility, launched in July, provided by the subsidiary undertaking, ADR Assistance S.r.l..

However, ADR managed to offset the downturn in the “aviation” segment with the sound performance posted by the “non-aviation” segment, which was especially due to the higher earnings generated by “sub-concessions and utilities” (up 5.9%), primarily deriving from the good results achieved by the sales of sub-concessionnaires, as well as the earnings from the sub-concession of the cargo business which, as already mentioned, was transferred to a third-party operator at the beginning of the year.

The positive performance of direct retail sales also helped to mitigate the negative impact on profit margins, thanks to initiatives aimed at improving the product range and the opportunity presented by the better passenger mix arising from the transfer of Alitalia flights to Fiumicino. Revenues grew by 8.3%, ahead of outgoing passenger traffic growth (up 4.5%).

Difficulties also beset the management of car parks, which registered a decrease of 1.5%, due to a reduction in outgoing passengers, as well as the sale of advertising space (revenues down 5.2%), as a result of the downturn that has hit the whole advertising sector.

The cost of materials and external services rose by 14.4%, reflecting increases in the cost of goods for resale and of external services, especially higher utility costs deriving from hikes in gas and electricity prices.

Payroll costs fell by 4.3% thanks to a reduction of 90.2 in the workforce as well as the sale of the cargo business.

EBITDA, amounting to 247.8 million euros, was therefore down 2.0% on 2007.

EBIT, amounting to 95.4 million euros, was heavily impacted – and the Parent Company in particular – by the loss on receivables arising from the insolvency procedure concerning Alitalia group companies. This loss, totaling 42.3 million euros, was classified under “other income and expense” and corresponds to the amounts already analysed above with regard to the Group’s performance.

EBIT was also influenced by higher amortization and depreciation of 6.7 million euros, whilst provisions for risks and charges and doubtful accounts decreased by 9.8 million euros.

Net financial expense rose by 3.5 million euros with respect 2007.

ADR S.p.A.'s high level of borrowing, partly due to the rise in floating rates, entailed higher financial expense. Indeed, 2008 saw overall increases in short-term interest rates and the interventions of central banks, aimed at reducing the cost of borrowing to mitigate the effects of the crisis, only manifested their effects at the end of the year. However, the Company dealt with the adverse situation via implementation of partial restructuring of debt that was concluded in June. A new 80 million euro loan was obtained from EIB with more favorable conditions and for a total amount approximately 19 million euros less than the borrowings previously repaid in advance in March.

Pre-tax income was negatively impacted by penalties, classified under extraordinary items, imposed by the Antitrust Authority relating to the procedure regarding certain airport fees charged and the procedure regarding advertising in ADR shops, totaling 1.9 million euros.

As well as reflecting the reduction in taxable income, total estimated taxation for the period, which was down 27.0 million euros on 2007, includes the positive effect of the reversal of deferred taxation deriving from accelerated depreciation, in connection with the decision to release this item via payment of substitute tax.

The ADR S.p.A. reported a net loss of 7.0 million euros in 2008, compared with the net income of 18.9 million euros registered in the previous year.

MANAGEMENT REPORT ON OPERATIONS - ADR SPA

ADR S.p.A.: Reclassified balance sheet ⁽⁶⁾ (in thousand of euros)	12.31.2008	12.31.2007	Change
A. - NET FIXED ASSETS			
Intangible fixed assets ^(*)	2,025,266	2,056,413	(31,147)
Tangible fixed assets	171,879	138,970	32,909
Non-current financial assets	13,688	7,394	6,294
	2,210,833	2,202,777	8,056
B. - WORKING CAPITAL			
Inventory	21,762	18,744	3,018
Trade receivables	160,213	146,594	13,619
Other assets	31,701	21,384	10,317
Trade payables	(167,417)	(151,809)	(15,608)
Allowances for risks and charges	(29,337)	(29,627)	290
Other liabilities	(103,029)	(81,033)	(21,996)
	(86,107)	(75,747)	(10,360)
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	2,124,726	2,127,030	(2,304)
D. - EMPLOYEE SEVERANCE INDEMNITIES	35,786	36,377	(591)
E. - INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D)	2,088,940	2,090,653	(1,713)
financed by:			
F. - SHAREHOLDERS' EQUITY			
Paid-up share capital	62,310	62,310	0
Reserves and retained earnings (accumulated losses)	704,082	685,150	18,932
Net income (loss) for the year	(7,048)	18,932	(25,980)
	759,344	766,392	(7,048)
G. - MEDIUM/LONG-TERM BORROWING	1,493,369	1,512,519	(19,150)
H. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)			
- short-term borrowing	20,528	20,014	514
- cash and current receivables	(184,301)	(208,272)	23,971
	(163,773)	(188,258)	24,485
(G+H)	1,329,596	1,324,261	5,335
I. - TOTAL AS IN "E" (F+G+H)	2,088,940	2,090,653	(1,713)
<i>(*) including the value of the concession totaling</i>	1,778,397	1,828,493	(50,096)

As of December 31, 2008 the ADR S.p.A.'s "invested capital" amounts to 2,088.9 million euros, representing a decrease of 1.7 million euros compared with the end of the previous year, due to the combined effect of an increase in net assets and a reduction in working capital.

The increase in fixed capital was influenced by the first effects of the Company's substantial infrastructure investment program, which in 2008 was reflected in a rise in fixed assets of approximately 8.1 million euros.

⁽⁶⁾ Reference should be made to the section "The ADR Group's financial position and operating results" in the paragraph entitled "Reconciliation of the reclassified schedules used in the Management Report on Operations and those used in the Financial Statements" regarding reconciliation of the reclassified Balance Sheet with the mandatory Balance Sheet schedule. This schedule includes trade, sundry and financial receivables due from subsidiary undertakings, under the items "trade receivables", "other assets" and "cash and current receivables", respectively, whilst trade, sundry and financial payables due to subsidiary undertakings are included under the items "trade payables", "other liabilities" and "short-term debt", respectively.

“Working capital” – down by a total of 10.4 million euros – was also affected by the growth of investment, as well as by an increase of 15.6 million euros in trade payables.

“Other liabilities” registered a sharp rise (22.0 million euros), primarily due to an increase in taxes due (6.6 million euros), deriving from estimated taxation for the year, the higher amount due for firefighting services (7.9 million euros) and an increase in amounts due for the municipal surcharge (10.7 million euros).

The latter is also due to the 2 euros increase as of November 2008, and the non-collection of amounts due from Alitalia before the company went into special administration.

An increase of 13.6 million euros in trade receivables, which were affected by the repercussions of the Alitalia group crisis and, to a lesser extent, growth in turnover volumes, had an opposite effect on working capital. “Other assets” also increased by 10.3 million euros during the year, primarily due to a rise in tax credits.

In terms of funding, the reduction in invested capital is almost entirely reflected in the 7.0 million euros decrease in “shareholders’ equity”, primarily due to the net loss reported for the year.

The increase of 5.3 million euros in “net debt”, amounting to 1,329.6 million euros, is nevertheless moderate compared with the end of the previous year, despite the rise in investments and the pressures on working capital engendered by the Alitalia crisis.

ADR S.p.A.: Net debt (in thousand of euros)	12.31.2008	12.31.2007	Change
Due to banks	293,350	247,500	45,850
Due to other financial institutions	1,200,019	1,265,019	(65,000)
A. - MEDIUM/LONG-TERM BORROWING	1,493,369	1,512,519	(19,150)
Due to banks	1,466	1,731	(265)
Due to other financial institutions	13,907	14,640	(733)
Due to subsidiary undertakings	5,155	3,643	1,512
Short-term borrowing	20,528	20,014	514
Receivables due from others	(706)	(1,352)	646
Receivables due from subsidiary undertakings	(45,935)	(48,386)	2,451
Cash on hand and in banks	(137,659)	(158,534)	20,875
Cash and current receivables	(184,301)	(208,272)	23,971
B. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)	(163,773)	(188,258)	24,485
NET DEBT (A+B)	1,329,596	1,324,261	5,335

In detail, an overall reduction of 19.2 million euros was reported in the medium/long-term component deriving from

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the operation to repay a portion of bank loans and the loan granted by Romulus Finance S.r.l., concluded in March, which was partly refinanced via use of the EIB line of credit.

For further information, references should be made to the section "group financial position and operating results".

ADR S.p.A.: Statement of cash flow (in thousand of euros)	2008	2007
A. - NET CASH AND CASH EQUIVALENTS - OPENING BALANCE	188,258	157,238
B. - CASH FLOW FROM (FOR) OPERATING ACTIVITIES		
Net income (loss) for the year	(7,048)	18,932
Ammortization and depreciation	104,733	98,093
(Gains) losses on disposal of fixed assets	(43)	(1,435)
(Revaluations) write-downs of fixed assets	(4)	(13)
Net change in working capital	10,360	52,542
Net change in "employee severance indemnities"	(591)	(3,857)
	107,407	164,262
C. - CASH FLOW FROM (FOR) INVESTING ACTIVITIES		
Investment in fixed assets:		
– intangible	(64,292)	(54,575)
– tangible	(43,061)	(31,828)
– financial	(6,607)	(750)
Proceeds from disposal, or redemption value of fixed assets	1,218	4,382
	(112,742)	(82,771)
D. - CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
New loans	80,000	0
Shareholders' contributions	0	0
Capital grants	0	0
Repayments of loans	(99,150)	0
	(19,150)	0
E. - DIVIDENDS PAID	0	(50,471)
F. - CASH FLOW FOR THE YEAR (B+C+D+E)	(24,485)	31,020
G. - NET CASH AND CASH EQUIVALENTS - CLOSING BALANCE (A+F)	163,773	188,258

The Company's operating cash flow amounted to 107.4 million euros in 2008, after the servicing of debt falling due. Internally generated resources made it possible to almost entirely cover the rising net cost of self-financed investments (112.7 million euros, compared with 82.8 million euros in 2007).

The early repayment of a portion of medium/long-term loans, totaling 99.2 million euros, refinanced for an amount of 80.0 million euros via recourse to the EIB line of credit, was carried out using free cash flow of 19.2 million euros

available at the beginning of the year; the Company's net liquidity therefore stood at 163.8 million euros at the end of the year.

ADR S.p.A.: Analysis of net debt (in thousand of euros)	2008	2007
A. - NET FINANCIAL BORROWING - OPENING BALANCE	(1,324,262)	(1,355,281)
EBITDA	247,813	252,755
Net change in operating working capital	(45,775)	2,489
Net change in employee severance indemnities	(591)	(3,858)
<i>(a) Net of the losses on credits.</i>		
Other income (expense), net ^(a)	(2,568)	(1,142)
Extraordinary income (expense), net	(5,238)	(2,072)
Current taxes paid	(19,613)	(15,473)
Other assets/liabilities (included allowances for risks and charges)	14,000	7,547
B. - OPERATING CASH FLOW	188,028	240,246
Capex (tangibles, intangibles and financial)	(113,960)	(87,153)
Proceeds from disposal, or redemption value of fixed assets	1,218	4,382
Other changes	0	0
Dividends received	1,387	2,531
C. - FREE CASH FLOW	76,673	160,006
Financial income (expense), net	(82,007)	(78,515)
Shareholders' contributions	0	0
Buy-back of shares	0	0
Dividends paid	0	(50,471)
D. - NET CASH FLOW OF THE YEAR	(5,334)	31,020
E. - NET FINANCIAL BORROWING DEBT - CLOSING BALANCE (A+D)	(1,329,596)	(1,324,261)

Equity investments.

The characteristics and performance in 2008 of subsidiary undertakings are shown below.

Investments in subsidiaries.

Airport Invest B.V.

Airport Invest B.V., a Dutch registered Company wholly owned by ADR S.p.A., was incorporated in 1999 in order to act as a holding company.

In 2005 Airport Invest B.V. disposed of the only asset it held, consisting of the shareholding in the South African company, ADR IASA Ltd.

The Company reports net income of 100 thousand euros for 2008 (85 thousand euros in 2007), primarily generated by the transfer account held with the Parent Company, ADR. Shareholders' equity amounted to 3,603 thousand euros at December 31, 2008.

The Company has no employees at December 31, 2008.

A summary of this Company's key financial data for 2008 is provided in the Annexes to the Financial Statements "Airport Invest B.V.: reclassified Balance Sheet and Income Statement".

ADR Engineering S.p.A. - Unipersonale.

The Company operates in the field of airport engineering, i.e. design, works supervision and technical consultancy services, and is wholly owned by ADR S.p.A.. In 2008 it reported net income of 538 thousand euros, a decrease of 81 thousand euros on the previous year.

Revenues from ordinary activities totaled 10,205 thousand euros, including 4,403 thousand euros from works supervision and 5,802 thousand euros from design, of which 96% was carried out for ADR S.p.A. and 4% for third parties. The rise of 25.0% compared with 2007 derives from the increase in works commissioned by the Parent Company.

EBITDA, which stood at 1,184 thousand euros compared with the 1,540 thousand euros of 2007, registered a decrease of 356 thousand euros, essentially due to higher payroll costs deriving from the effects of redundancy schemes. EBIT, amounting to 1,000 thousand euros, saw a greater reduction (419 thousand euros) due to increased provisions for risks and charges and other income and operating costs.

Net income is 538 thousand euros, after taxation of 513 thousand euros.

At December 31, 2008 the headcount numbers 47 (39 in 2007).

A summary of this Company's key financial data for 2008 is provided in the Annexes to the Financial Statements "ADR Engineering S.p.A. - Unipersonale: reclassified Balance Sheet and Income Statement".

ADR Assistance S.r.l. - Unipersonale.

This Company was incorporated on June 25, 2008 with initial share capital of 10,000 euros, fully subscribed by ADR S.p.A., with the purpose of managing ground airport assistance services to the disabled and persons with reduced mobility within the Roman airport system.

ADR Assistance S.r.l. started operating on July 16, 2008 and became responsible for providing assistance services to passengers with reduced mobility at Fiumicino and Ciampino airports.

On August 5 the Company's General Meeting approved a capital increase from 10 thousand euros to 6 million euros. For its first period of operations (July 16 - December 31, 2008) the Company reports a net loss of 653 thousand euros.

Revenues, deriving exclusively from the Parent Company ADR, amount to 5,335 thousand euros, against consumption of materials and external services of 1,100 thousand euros and payroll costs of 4,369 thousand euros.

EBITDA amounts to 134 thousand euros, whilst EBIT is a negative 642 thousand euros, primarily due to amortization and depreciation for the period totaling 392 thousand euros.

Investment amounts to 2,920 thousand euros, including 1,993 thousand euros regarding the purchase of vehicles designed for the transport of passengers with reduced mobility within the airport, and 640 thousand euros for infrastructure upgrading works.

At December 31, 2008 the headcount is 257.

A summary of this Company's key financial data for 2008 is provided in the Annexes to the Financial Statements "ADR Assistance S.r.l. - Unipersonale: reclassified Balance Sheet and Income Statement".

ADR Tel S.p.A.

The purpose of the Company, which is 99% owned by ADR S.p.A. and 1% by ADR Sviluppo S.r.l., is to build, develop and install telecommunications and electronic communications networks and systems, as well as to provide telecommunications and electronic communications services.

The Company reports net income of 687 thousand euros for 2008, after estimated taxation totaling 440 thousand euros, representing an increase of 123 thousand euros (up 21.8%) with respect to 2007.



Revenues from ordinary activities, amounting to 11,526 thousand euros, are up 1,854 thousand euros (19.2%) with respect to the previous year:

- earnings generated by standard services (retail and wholesale), amounting to 7,454 thousand euros, rose by 544 thousand euros, with the most significant increases regarding the ADR_Net service (internet and intranet access) and the Wi-Fi service;
- revenues generated by specific services provided to ADR, amounting to 4,072 thousand euros, rose by 1,391 thousand euros and include earnings deriving from the Parent Company's infrastructure investments which grew substantially during the year with such initiatives as the new Terminal 5, the new Epu 2 office building, the new Polaria operations center and the co-generation network; on the other hand, compared with the previous year, no revenues from capitalized costs and expenses were registered, which were consequently down by 81 thousand euros.

In the standard services segment, the above result was achieved by continued marketing of the company's services to customers that operate at Fiumicino and Ciampino airports, including ADR Group companies. Marketing focused on building up loyalty among the customers acquired in the previous year, increasing the volume of existing services provided (upselling) and/or proposing new services (cross-selling). This has enabled the company to meet all the needs of its airport-based customers.

Operating costs of 8,735 thousand euros are up 1,735 thousand euros compared with 2007 (up 24.8%), including 7,552 thousand euros classified under consumption of raw materials and external services (up 1,971 thousand euros on 2007), which supported the expansion of the business, and labor costs of 1,183 thousand euros which fell by 236 thousand euros compared with 2007 due to the reduction of an average 2.37 full-time equivalents.

As a result of the above performance of revenues and operating costs, the Company reports positive EBITDA of 2,791 thousand euros, marking an increase of 119 thousand euros (up 4.5%) on the previous year.

Moreover, a negative balance was registered for other income and operating costs, which rose by 24 thousand euros compared with the previous year, largely due to losses of 137 thousand euros on receivables due from the Alitalia group before it was put into special administration.

EBIT of 1,190 thousand euros was consequently substantially in line with the previous year (up 3 thousand euros). Investment of 1,498 thousand euros was primarily aimed at developing and modernizing the telecommunications infrastructure used within the Roman airport system, with a view to introducing new services and improving existing ones.

At December 31, 2008 the headcount is 17 (18 in 2007).

A summary of this Company's key financial data for 2005 is provided in the Annexes to the Financial Statements under "ADR Tel S.p.A.: reclassified Balance Sheet and Income Statement".

ADR Advertising S.p.A.

ADR Advertising S.p.A. was incorporated on January 10, 2003. The Company has ordinary share capital of 500 thousand euros, and is 51% owned by ADR S.p.A. and 49% owned by IGPDecaux S.p.A.. The preference shares, totaling 500 thousand euros, were wholly subscribed by IGPDecaux S.p.A..

Under the terms of the agreement with ADR S.p.A. dated March 1, 2003, by which the Parent Company has leased its advertising division to the Company, ADR Advertising S.p.A. manages advertising space at the Roman airport system.

This contract, which lasts until December 31, 2011, provides for monthly payments to ADR S.p.A. proportional to ADR Advertising S.p.A.'s revenues, subject to a guaranteed minimum.

The Company reports net income of 777 thousand euros compared with the net income of 1,325 thousand euros registered in 2007.

Revenues amount to 24,840 thousand euros, down 1.3% on 2007. In addition to the downturn affecting the advertising sector, this performance was influenced by the decision to reduce credit exposure to sub-concessionaires considered to be at risk, and the events involving the Alitalia group.

EBITDA stood at 1,813 thousand euros, down 969 thousand euros on 2007. EBIT, amounting to 1,272 thousand euros, fell by 1,051 thousand euros compared with 2007 due to greater amortization and depreciation and the deterioration in the balance of other income and operating costs.

Net income of 777 thousand euros takes account of estimated current tax expense of 434 thousand euros.

At December 31, 2008 the headcount stands at 11 (11 in 2007).

A summary of this Company's key financial data for 2008 is provided in the Annexes to the Financial Statements under "ADR Advertising S.p.A.: reclassified Balance Sheet and Income Statement".

ADR Sviluppo S.r.l. - Unipersonale.

ADR Sviluppo S.r.l. - Unipersonale has share capital of 100 thousand euros and was incorporated on July 27, 2001.

The Company is wholly owned by ADR S.p.A..

The Company's purpose is to promote and develop real estate initiatives for Fiumicino and Ciampino airports, to be carried out directly or via third parties. To this end, the Company may therefore carry out, or commission, real estate projects regarding the construction of hotels, parking lots, offices and other forms of property in general, where such projects have a role to play in the development of airport activities, and are designed to meet the demands of traffic growth at Fiumicino and Ciampino airports.

During 2008 ADR Sviluppo S.r.l. - Unipersonale did not earn revenues, nor did it have employees, as it has yet to commence operations.

Net income for the year amounts to 4,209 euros (5,589 euros in 2007), thanks to dividends collected (5,280 euros) from the subsidiary, ADR Tel S.p.A.. Shareholders' equity as of December 31, 2008 amounts to 105,432 euros.

A summary of this Company's key financial data for 2008 is provided in the Annexes to the Financial Statements under "ADR Sviluppo S.r.l. - Unipersonale: reclassified Balance Sheet and Income Statement".

Investments in other companies.

Investments in airports.

Aeroporto di Genova S.p.A.

ADR S.p.A. holds a 15% holding in the Company that manages Genoa airport. For 2007 (to which the latest approved Financial Statements refer) passenger traffic grew by 4.5% with respect to 2006, thanks to the excellent performance of domestic traffic and activation of new domestic and international routes.

Revenues amounted to 21,878 thousand euros, up 6.5% on the previous year, due to the positive performance of "aviation" (up 3.9%) and "non-aviation" (up 11.2%) earnings.

EBITDA fell by 6%, in connection with sharp cost increases including those deriving from the provisions introduced by the 2007 Finance Bill (increase in the concession fee and introduction of a fee for the firefighting and prevention service). Thanks to lower provisions and write-downs and positive cash flow, the Company reported net income of 307 thousand euros, up 62 thousand euros on the previous year. At December 31, 2007, shareholders' equity stood at 5,443 thousand euros.

S.A.CAL. - Società Aeroportuale Calabrese S.p.A.

ADR S.p.A. owns a 16.57% stake in this Company. In 2007 (to which the latest approved Financial Statements refer) the Company once again posted good traffic performance at Lamezia Terme, the airport managed by the Company, registering an increase of 7.5% in passengers, whilst the number of flights (down 0.2%) was substantially unchanged.

Revenues, amounting to 16,762 thousand euros, are up 9.8% on 2006, whilst EBITDA is 585 thousand euros, compared with the 2,360 thousand euros registered in the previous year. The Company reports net income of 151 thousand euros for 2007, down 650 thousand euros on 2006. At December 31, 2007, shareholders' equity amounted to 11,174 thousand euros.

Investments in other businesses.

ADR S.p.A. also has minority shareholdings in other companies:

La Piazza di Spagna S.r.l.

The Company was incorporated on December 17, 2003 with share capital of 100,000 euros, which was 49% subscribed by ADR S.p.A. and 51% by Airport Elite S.r.l., a subsidiary of Save S.p.A.. The Company, which is responsible for refreshment outlets and the sale of newspapers and items regulated by state monopoly legislation, is not yet operative.

During the year ended December 31, 2008, La Piazza di Spagna S.r.l. did not earn revenues, nor did it have employees, as it has yet to commence operations. The Financial Statements report a loss of 2,285 euros (a loss of 2,130 euros in 2007) and shareholders' equity of 88,665 euros as of December 31, 2008.

A summary of this Company's key financial data for 2008 is provided in the Annexes to the Financial Statements under "La Piazza di Spagna S.r.l.: reclassified Balance Sheet and Income Statement".

Leonardo Energia - Società consortile a r.l.

This limited liability consortium, incorporated on March 26, 2008 with a share capital of 10,000 euros, in which Sistemi di Energia S.p.A. holds an 80% stake and ADR S.p.A. a 10% stake. The aim is to jointly coordinate the business activities of the consortium partners regarding the production, transformation and transport of electric and thermal power.

This objective is achieved via management of:

- the new co-generation plant built at Fiumicino by the consortium partner, Sistemi di Energia, and made available to the limited liability consortium via a business unit lease contract registered on December 15, 2008, with effect as of December 18, 2008;
- the existing power plant made available by ADR S.p.A. via a sub-concession agreement registered on December 15, 2008, with effect as of January 1, 2009.

The Company started operating on December 18, 2008 with the entry into service of the co-generation plant.

For its first operating period, the Company broke even (net profit of 169 euros); at December 31, 2008, shareholders' equity stood at 10,169 euros.

Ligabue Gate Gourmet Roma S.p.A. (insolvent).

The Court of Civitavecchia officially declared Ligabue Gate Gourmet Roma S.p.A. bankrupt on February 1, 2002.

A sentence of October 10, 2002 ordered a partial distribution plan whereby 29.6% of preferential claims would be paid.

No significant events took place during 2008. The second partial distribution plan is awaited. The equity investment in the Company has been fully written down.

Alinsurance S.r.l. (in liquidation).

ADR S.p.A. has held a 6% stake in this Company which operates as an insurance broker. The Company was placed in voluntary liquidation on July 12, 2005.

Closure of the liquidation of the Company is awaited.

In 2007 Alinsurance reported a loss of 70 thousand euros, primarily due to taxes due for the period; at December 31, 2007, shareholders' equity amounts to 1,039 thousand euros.

Notice regarding management and coordination of the Company.

With reference to the company law reform introduced by article 2497 and subsequent articles of the Italian Civil Code, from August 2, 2007, ADR S.p.A. is subject to "management and coordination" by Gemina S.p.A., which wholly owns Leonardo S.r.l., subsequently merged into Gemina S.p.A..

In turn, ADR S.p.A. "manages and coordinates" its subsidiary undertakings, ADR Engineering S.p.A. - Unipersonale, ADR Tel S.p.A., ADR Sviluppo S.r.l. - Unipersonale and ADR Assistance S.r.l. - Unipersonale.

Relations with Parent Companies and other related parties.

Relations with Parent Companies.

ADR Group Companies' relations with the Parent Company, Gemina S.p.A., in 2008 primarily refer to participation in the consolidated taxation regime (in thousands of euros):

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Sundry relations between the ADR Group and Gemina S.p.A.

	Balances at 12.31.2008		2008	
	Receivables	Payables	Tax Consolidation	
			Income	Expense
ADR S.p.A.	0	19,783	0	10,376
	0	19,783	0	10,376
Subsidiary undertakings subject to management and coordination:				
– ADR Engineering S.p.A. - Unipersonale	0	778	0	313
– ADR Tel S.p.A.	0	670	0	331
	0	1,448	0	644
Unconsolidated subsidiary undertakings subject to management and coordination:				
– ADR Sviluppo S.r.l. - Unipersonale	2	0	0	0
	2	0	0	0
Total	2	21,231	0	11,020

The effects on the balance sheet and income statement in 2007 deriving from participation in the domestic tax consolidation regime, governed by art. 117 *et seq.* of the Consolidated Act, by ADR S.p.A. and the subsidiary undertakings, ADR Engineering S.p.A., ADR Tel S.p.A. and ADR Sviluppo S.r.l., as consolidated companies, and by the Parent Company, Gemina S.p.A., as the consolidating company, were classified under sundry relations for the three-year period 2007-2009.

On taxable income transferred to the consolidating company, Gemina S.p.A., by the consolidated companies, ADR S.p.A., ADR Engineering S.p.A. and ADR Tel S.p.A., consolidated taxation of 10,376 thousand euros, 313 thousand euros and 331 thousand euros was recorded respectively, for a total of 11,020 thousand euros.

Extraordinary income of 260 thousand euros regarding an adjustment of taxes due for 2007 was received from the Parent Company, Gemina S.p.A., and recorded under "taxes relating to previous years".

Regarding accounts receivable and accounts payable relating to the previous year and tax credits transferred by the consolidated companies, in addition to the above taxable income, an amount of 21,231 thousand euros due to Gemina S.p.A. was recorded.

Trading relations with the Parent Company, Gemina S.p.A., break down as follows:

Trading relations between the ADR Group and Gemina S.p.A.

	Balances at 12.31.2008		2008	
	Receivables	Payables	Revenues	Costs
ADR S.p.A.	46	10	54	10
ADR Tel S.p.A.	2	0	14	0
Total	48	10	68	10

ADR S.p.A. revenues regard the recovery of costs for seconded personnel, whilst the costs sustained with regard to Gemina S.p.A. include fees paid to ADR S.p.A. directors. ADR Tel S.p.A. provided Gemina S.p.A. with electronic mail services.

Relations with subsidiary undertakings.

Transactions carried out by ADR S.p.A. with subsidiary undertakings in 2008 refer primarily to the supply of goods, trade and centralized treasury services. All of the transactions were carried out on an arm's length basis.

Trading, financial and other relations between ADR S.p.A. and subsidiary undertakings subject to management and coordination, other subsidiary undertakings and associated undertakings are analyzed below (in thousands of euros):

Trading relations between ADR S.p.A.

and subsidiary and associated undertakings

Balances at 12.31.2008

2008

	Receivables	Payables	Guarantees	Commit.	Revenues			Costs			
					Goods	Services	Other	Goods	Services	Other	Investments
Subsidiary undertakings subject to management and coordination:											
– ADR Engineering S.p.A. - Unipersonale											
– ADR Tel S.p.A.	116	6,763	250	12,160	8	353	341	0	873	0	8,093
– ADR Assistance S.r.l. - Unipersonale	436	1,519	257	173	0	767	234	0	4,696	0	2,630
	2,728	6,259	0	0	234	613	961	0	5,335	0	0
	3,280	14,541	507	12,333	242	1,733	1,536	0	10,904	0	10,723
Other subsidiary undertakings:											
– ADR Advertising S.p.A.											
– Airport Invest B.V.	10,611	250	0	0	0	21,123	76	0	1,205	0	0
	0	0	0	0	0	0	0	0	0	0	0
	10,611	250	0	0	0	21,123	76	0	1,205	0	0
Associated undertakings:											
– Ligabue Gate Gourmet Roma S.p.A. (insolvent)											
	0	968	0	0							
	0	968	0	0							

The subsidiary undertaking, ADR Engineering S.p.A. - Unipersonale, provides design and works supervision services for works included in the airport development plan and it was incorporated in 1997 for this reason. Revenues in 2008 for works commissioned by ADR S.p.A. amounted to 8,966 thousand euros (9,251 thousand euros in 2007). ADR S.p.A. charged the Company 702 thousand euros (505 thousand euros in 2007) relating to sub-concessionaire fees, utilities, administrative services, etc.

From April 2003 the subsidiary undertaking, ADR Tel S.p.A., has managed telecommunications at the airports of Fiumicino and Ciampino. In 2008 the Company posted revenues from telephony services provided to ADR S.p.A. of

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4,696 thousand euros (4,458 thousand euros in 2007) and carried out upgrading works on the telephone network worth 2,630 thousand euros (1,379 thousand euros in 2007). ADR S.p.A. charged the Company an amount of 1,001 thousand euros (666 thousand euros in 2007) in royalties and rentals on the lease of telecommunications assets and premises, and for utilities and staff services.

ADR Assistance S.r.l. - Unipersonale started operating on July 16, 2008 and became responsible for providing assistance services to passengers with reduced mobility at Fiumicino and Ciampino airports, based on a service contract signed with the Parent Company, ADR, on July 15, 2008.

Revenues of 5,335 thousand euros were exclusively generated from relations with the Parent Company; ADR S.p.A. charged the Company 1,808 thousand euros relating to sub-concessionaire fees, utilities, administrative services, recovery of costs for upgrading of airport infrastructure, sale of vehicles, etc..

From March 1, 2003, the subsidiary undertaking, ADR Advertising S.p.A., has managed advertising at Fiumicino airport on the basis of a contract entered into with ADR S.p.A. and expiring on December 31, 2011. This contract specifies that a monthly payment based on ADR Advertising S.p.A.'s revenues is to be made to ADR S.p.A., whilst ensuring a guaranteed minimum. The royalties paid to ADR S.p.A. in 2008 amount to 20,762 thousand euros (20,311 thousand euros 2007). ADR S.p.A. received additional revenues from the Company, totaling 361 thousand euros (394 thousand euros 2007), as lease rentals and as payment for utilities and various services, as well as sustaining costs of 1,205 thousand euros for the corporate advertising campaign.

Financial relations between ADR S.p.A. and subsidiary undertakings	Balances at 12.31.2008			2008	
	Receivables	Payables	Guarantees	Income	Expense
Subsidiary undertakings subject to management and coordination:					
– ADR Engineering S.p.A. - Unipersonale	0	937	0	1	26
– ADR Tel S.p.A.	706	0	0	76	0
– ADR Assistance S.r.l. - Unipersonale	0	737	0	1	3
	706	1,674	0	78	29
Other subsidiary undertakings:					
– Airport Invest B.V.	0	3,488	0	0	146
	0	3,488	0	0	146

Financial relations with the subsidiary undertakings, ADR Engineering S.p.A. - Unipersonale, ADR Tel S.p.A., ADR Assistance S.r.l. - Unipersonale and Airport Invest B.V., regard the centralized treasury system, which is conducted on an arm's length basis. The system has been put into place in order to optimize the management of financial resources and facilitate the settlement of inter-company trading relations.

Sundry relations between ADR S.p.A. and subsidiary and associated undertakings	Balances at 12.31.2008			2008
	Receivables	Payables	Dividends	
Subsidiary undertakings subject to management and coordination:				
– ADR Engineering S.p.A. - Unipersonale	486	0		486
– ADR Tel S.p.A.	612	0		612
– ADR Assistance S.r.l. - Unipersonale	0	0		0
	1,098	0		1,098
Other subsidiary undertakings:				
– ADR Advertising S.p.A.	0	0		0
	0	0		0
Associated undertakings:				
– Ligabue Gate Gourmet Roma S.p.A. (insolvent)	530	0		0
– La Piazza di Spagna S.r.l.	0	34		0
	530	34		0

Sundry relations included dividends from subsidiary undertakings, amounting to 1,098 thousand euros, in connection with proposals for allocation of net income approved by the Boards of Directors of the subsidiary undertakings, ADR Engineering S.p.A. - Unipersonale and ADR Tel S.p.A..

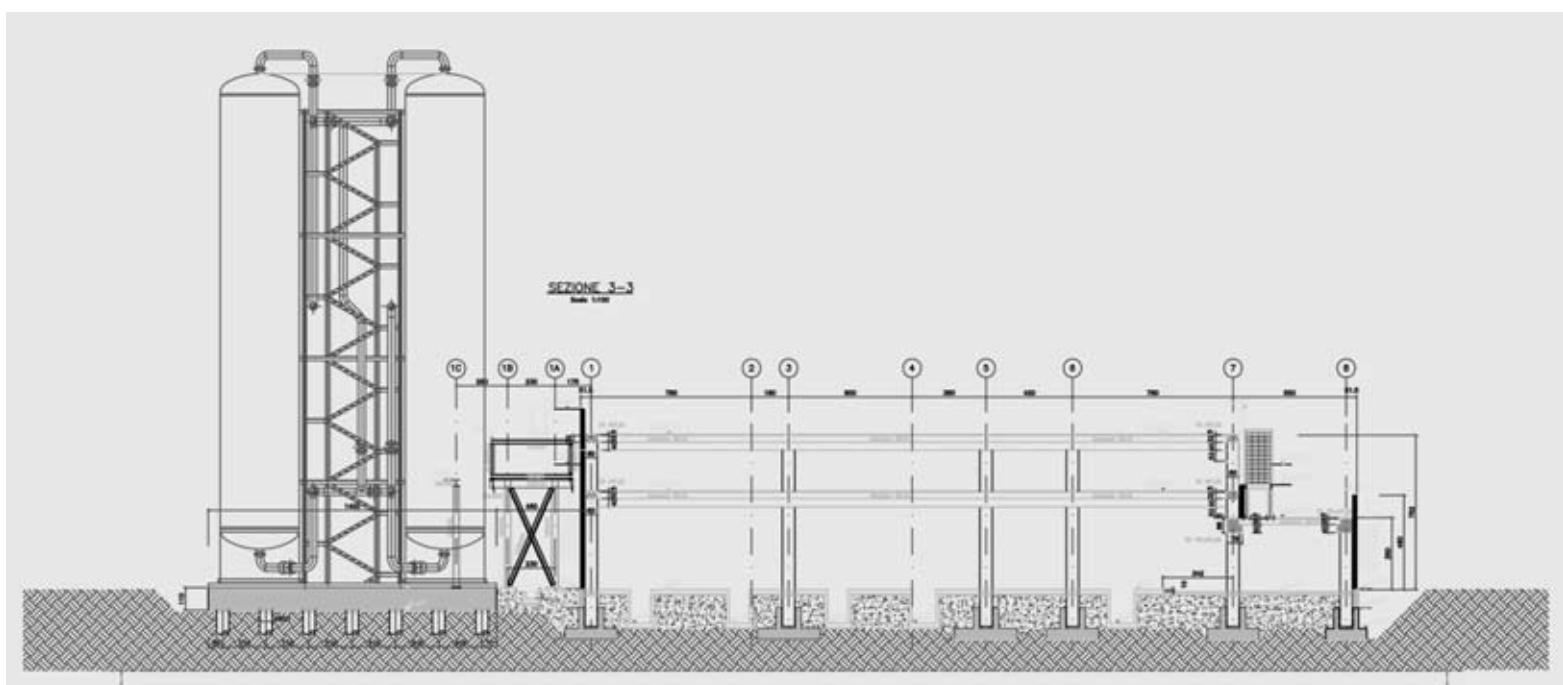
Relations with other related parties.

Trading relations with other related parties break down as follows (in thousands of euros):

Trading relations between the ADR Group and related parties	Balances at 12.31.2008			2008
	Receivables	Payables	Guarant. received	Revenues
Sistemi di Energia S.p.A.	239	0	205	230
Leonardo Energia S.c.a r.l.	0	105	0	0
Assicurazioni Generali S.p.A.	0	0	0	0
Key Managers of Gemina S.p.A.	0	50	0	0
	239	155	205	230
				4,397

Regarding these relations, the following should be noted:

- Sistemi di Energia S.p.A., an associate undertaking of Gemina S.p.A.: based on the business cooperation agreement signed in December 2005 between the Parent Company, ADR S.p.A. and Sistemi di Energia S.p.A., at its own expense, the latter built the new natural gas-fired co-generation plant for the production of electric and thermal energy at Fiumicino. The business unit comprised by the Fiumicino co-generation plant was leased by Sistemi di



Energia S.p.A. to Leonardo Energia - Società consortile a r.l., incorporated by ADR S.p.A. and Sistemi di Energia S.p.A., with respective stakes of 10% and 90%.

- Assicurazioni Generali S.p.A. (a Company that holds a sufficient interest in Gemina S.p.A. to have a significant influence on the latter): the ADR Group has taken out its principal insurance policies with this insurance group.

Certain members of the Board of Directors of Gemina S.p.A. (Guido Angiolini, Alessandro Grimaldi, Aldo Minucci, Clemente Rebecchini and Paolo Roverato) are also members of the Board of Directors of ADR S.p.A..

Financial relations include those maintained with Mediobanca S.p.A. (a company that holds a sufficient interest in Gemina S.p.A. to have a significant influence on the latter):

Financial relations between ADR S.p.A. and related parties	Balances at 12.31.2008			2008	
	Cash and cash equivalents	Receivables	Payables	Financial income	Financial expense
Mediobanca S.p.A.	74,658	45,522	54	7,533	2,698
	74,658	45,522	54	7,533	2,698

Several relations exist between ADR S.p.A. and Mediobanca S.p.A. in connection with the role played by the latter in current loan contracts:

- “Mandated Lead Arranger” of the long-term lines of credit “Term Loan Facility” (170,000 thousand euros) and “Revolving Facility” (100,000 euros) provided by a syndicate of lending banks⁽⁷⁾;
- “Security Agent” representing all of ADR S.p.A.’s creditors;
- “Facility Agent” representing the banks within the “Bank Facility Agreement”;
- “Administrative Agent” and holding bank for certain ADR current accounts, regulated by loan contracts, of which the following report movements: “Debt Service Account”, “Interim Proceeds Account” and “Recoveries Account”, of which the balances at December 31, 2008 are shown in the above table. Mediobanca S.p.A. is also the holder of a time deposit called the “Debt Service Reserve Account” for which ADR reports a financial receivable in its financial statements. The related interest due is reported in the item “financial income” in the above table;
- the counterparty in two “Interest Rate Swap” contracts with notional values of 252,000 thousand euros and 156,000 thousand euros; gains and losses on swap spreads are included respectively in the items “financial income” and “financial expense” in the above table.

(7) The total amount due to the syndicate of banks is reported in the Financial Statements of ADR S.p.A.; the amounts contributed by each bank in the syndicate is not indicated.

For a description of the guarantees granted by ADR S.p.A., reference should be made to the section on “payables” in the Notes.

Treasury stock or Parent Company's shares in the portfolio.

The Group did not hold, directly, or indirectly, any of its own shares or any shares in the Parent Company, either at the end of 2008 or at the end of 2007.

In addition, no purchase or sale of its own shares or shares in the Parent Company took place, either directly or indirectly, during 2008.

Financial risk management.

Risks specific to the Company's business.

ADR S.p.A. manages the two airports in the Roman airport system, Fiumicino and Ciampino, under Service Concession Agreement no. 2820 of June 26, 1974 signed with the Ministry of Transport. This agreement will expire on June 30, 2044.

The foregoing agreement lays down the obligations for the operator and the reasons for termination or cancellation of the concession, primarily because of breach.

The ADR Group operates in a sector that is highly regulated at domestic, EU and international level.

A long period of uncertainty related to the complexity of the procedure to establish satisfactory regulatory and tariff systems is a significant risk factor that may affect the Group's financial and operating outlook.

The ADR Group's operating performance is also strongly affected by air traffic using the airports of Fiumicino and Ciampino, which in turn is affected by:

- economic conditions;
- the plans of the individual airlines, which are affected in turn by these companies' own financial and operating circumstances;
- airline alliances;
- competition, on certain routes, from alternative transport (e.g. High Speed train between Rome and Milan);

- wars, acts of terrorism and airplane crashes, which undermine the public's propensity to travel, for business or pleasure.

The ADR Group is involved in a large number of civil, administrative, labor and tax disputes, both as a plaintiff and as a defendant. Given the risks related to such proceedings, provisions have been made and in-depth information is available in a specific section of the Note.

Credit risk.

Credit risk is the risk that a customer or the counterparty in a financial instrument fails to meet its obligations, thereby causing a loss.

The ADR Group's maximum exposure to credit risk is equal to the carrying value of the financial assets shown in the balance sheet, as well as the nominal value of the guarantees provided for third parties' debt or commitments.

At December 31, 2008 total credit risk exposure was as follows:

(in thousand of euros)	Carrying amount	
	12.31.2008	12.31.2007
Financial assets:		
– due from clients	157,905	149,913
– due from associated undertakings	530	530
– due from parent companies	48	0
– due from others	49,967	51,643
– cash - bank and post office deposits	141,476	158,024
Total	349,926	360,110

Most of the ADR Group's credit risk is related to the receivables arising from its transactions with customers.

The risk of customers' default is dealt with by making provisions in a specific allowance for bad debt, whose balance is reviewed from time to time.

The ADR Group's policy in this respect involves the making of provisions for each position, depending on the age of the receivable, the creditworthiness of the individual customer, the progress in the receivable management and collection process.

The Group's commercial policies set out the procedure illustrated below for the creation of trade receivables:

MANAGEMENT REPORT ON OPERATIONS - ADR GROUP

- cash payment is required in transactions with consumers (sales in directly operated stores, multilevel and long-term parking lots, first aid, etc.) and with occasional counterparties (e.g. club memberships, luggage porters, taxi access management, etc.);
- cash payment or prepayment is required from occasional airlines without a satisfactory credit profile or collateral;
- credit terms are extended to loyal customers considered reliable (airlines with medium-term operational plans and sub-concessionaires). However, these customers' creditworthiness is monitored and, where necessary, collateral is required.

The table below is a receivable aging schedule:

(in thousand of euros)	Receivables not yet due	Past due receivables not written down				Total receivables
		Less than 60 days	61 to 120 days	121 to 180 days	Over 181 days	
As of 12.31.2008						
Due from clients	46,589	49,389	24,627	12,277	25,022	157,905
Due from associated undertakings	0	0	0	0	530	530
Due from parent companies	48	0	0	0	0	48
Due from others	49,967	0	0	0	0	49,967
Total	96,604	49,389	24,627	12,277	25,552	208,450
As of 12.31.2007						
Due from clients	57,024	48,013	15,169	5,373	24,334	149,913
Due from associated undertakings	0	0	0	0	530	530
Due from parent companies	0	0	0	0	0	0
Due from others	51,643	0	0	0	0	51,643
Total	108,667	48,013	15,169	5,373	24,864	202,086

No provisions are made for amounts due from government authorities after more than 180 days.

The ADR Group's credit risk features a high degree of concentration, as ten customers account for around 50% of all receivables, for which no provisions have been made.

Liquidity risk.

Liquidity risk may arise with the inability to raise, on adequate terms, the cash necessary to fund the Group's operations.

The ADR Group's cash is mainly used for or generated by investing and operating activities.

The table below shows the Group's payables by maturity.

(in thousand of euros)	Payables falling due			Total payables
	Within 12 months	In 1 to 5 years	After 5 years	
As of 12.31.2008				
Due to banks	2,966	204,000	89,350	296,316
Due to other financial institutions	13,907	500,000	700,019	1,213,926
Advances	8,841	4,770	0	13,611
Due to suppliers	143,004	4,637	0	147,641
Due to associated undertakings	1,003	0	0	1,003
Due to parent companies	21,241	0	0	21,241
Other	40,293	1,227	0	41,520
Total	231,255	714,634	789,369	1,735,258
As of 12.31.2007				
Due to banks	7,081	225,400	17,850	250,331
Due to other financial institutions	14,640	65,000	1,200,019	1,279,659
Advances	4,812	4,770	0	9,582
Due to suppliers	134,038	3,833	0	137,871
Due to associated undertakings	1,003	0	0	1,003
Due to parent companies	14,995	0	0	14,995
Other	34,421	1,463	0	35,884
Total	210,990	300,466	1,217,869	1,729,325

The Group's financial structure is characterized by significant leverage, as financial debt is equal to approximately 6 times EBITDA. Consequently, a substantial portion of the cash generated from operating activities is used to pay loan interest and, in future, principal (the first installment of which falls due in 2012).

As indicated more specifically in the specific section of the Notes to the consolidated Financial Statements, in addition to the requirement to have Moody's and Standard & Poor's issue a rating, the medium/long-term loan agreements in place provide for a number of measures to ensure that the cash generated is used first of all to service debt. Such measures become stricter if, as is currently the case, the ratings or certain financial ratios fail to exceed certain agreed-upon minimum thresholds.

This complex contractual structure mitigates liquidity risk. However, the Parent Company's current rating prevents it from borrowing without specific authorization from its lenders. Consequently, any financing requirements associated with working capital management or investing activities are met with the substantial cash on hand available and a 100 million euros revolving line of credit (which is currently unused) obtained for these purposes.

It is clear that the need to use the cash generated to service debt, and the above restrictions on the use of cash, limit the Group's operating and investment flexibility in situations of financial pressure.

The centralized cash management system, managed at arm's length by the Parent Company and including the subsidiaries undertakings ADR Engineering S.p.A, ADR Tel S.p.A., ADR Assistance S.r.l. and Airport Invest B.V., makes it possible to optimize cash flows and to facilitate the settlement of intercompany transactions.

Interest rate risk.

The ADR Group borrows funds from third parties. Changes in interest rates affect the cost of the funds borrowed, with their effects on the amount of interest expense.

To cope with these risks the Group uses interest rate derivatives, with the objective to mitigate, at acceptable terms and conditions, the potential effects of changes in interest rates on its operating performance.

Specifically, the Group uses "Interest rate swaps" and "Interest rate caps" to manage its exposure to unfavorable fluctuations of interest rates.

Hedging is provided for by all loan agreements entered into by the Parent Company, ADR S.p.A., and Group policies in this area require that at least 51% of all debt be hedged against fluctuations in interest rates.

In keeping with this policy, the Group has entered into interest rate swap contracts since 2001. The swaps have been provided by Mediobanca, Barclays, UBM, Royal Bank of Scotland and Deutsche Bank, and involve notional capital of 864 million euros. The last of these contracts will expire on October 2, 2009.

There have been interest rate swap contracts in place with the above counterparties (Mediobanca, Barclays and Royal Bank of Scotland) since October 1, 2004. On these contracts – with notional capital of 468 million euros until March 2008 and 495 million euros until October 2, 2009 – ADR receives a fixed rate of interest of 3.3% and pays floating 3-month Euribor with a cap of 6.0%. ADR S.p.A. entered into these transactions to balance its fixed/floating exposure (reducing its fixed-rate debt from 78.0% to the current 58.2% of the total) in a manner more consistent with ADR's risk profile vis-à-vis the short- and medium-term outlook for interest rates, and thus reducing its risk exposure.

On May 16, 2006, the Parent Company, ADR S.p.A., signed two interest rate collar forward start contracts with Barclays and Royal Bank of Scotland, with a notional capital of 120 million euros each, on the basis of which ADR S.p.A. will receive a floating 3-month Euribor rate and pay a floating 3-month Euribor rate with a cap of 5% and a floor of 3.64% from October 2, 2009 until February 20, 2012.

These contracts were signed to hedge interest rate risk for an additional three years.

In December 2006 the above-mentioned fixed interest rate swap contracts with notional capital of 864 million euros were renegotiated.

These hedges, which had already been adapted to debt as restructured in 2003, called for an average fixed interest rate of 5.075%.

Considering the favorable conditions expressed by the yield curve, and using available cash, thanks also to the proceeds from the sale of the subsidiary ADR Handling S.p.A. (now Flightcare Italia S.p.A.), the fixed interest rate now paid by ADR (3.8910%) until the original maturity (2009) is in line with the market, given the market price disbursed for such instruments (27.4 million euros). The December 2006 renegotiation made it possible to reduce the average cost of debt by nearly one percentage point in the three-year period 2007-2009.

In particular, given the sensitivity of the Group's performance to changes in interest rates, an interest rate sensitivity analysis was conducted with respect to a range of +/- 100 basis points.

An increase of 100 basis points in interest rates would determine a rise of 6.1 million euros in interest expense, inclusive of tax effects.

A decrease of 100 basis points in interest rates would determine a reduction of 6.1 million euros in interest expense, inclusive of tax effects.

Exchange rate risk.

The ADR Group has a negligible exposure to exchange rate risks as non-euro transactions are related to limited purchases of goods and services.

Risks related to outstanding loan agreements.

– Risk related to ADR's rating.

ADR S.p.A.'s creditworthiness is rated by Standard & Poor's and Moody's.

The cost of debt and insurance guarantees provided by the monoline insurance company AMBAC is linked to the rating received by ADR S.p.A. Moreover, if the Company exceeds certain minimum thresholds – set by contract – the lenders are authorized to exercise stricter control over its cash flow, thereby constraining further the Company's operational flexibility.

Below, information is provided on the changes in 2008 in the rating assigned to ADR S.p.A. by Standard & Poor's:

- on April 17, 2008, the agency confirmed a BBB- rating with a stable outlook. The announcement was made

outside the annual review, following the evaluation of the potential effects on the Company resulting from the IATA (International Air Transport Association) statements on the initiatives that it could undertake on the assignment of the routes following the entry of Alitalia into administration;

- on September 11, the outlook changed from stable to negative;
- on September 22, 2008 ADR S.p.A. was subjected to a “credit watch with negative implications”, involving a special monitoring regime by the agency, with a significant downgrade risk. This change in rating is nearly entirely due, according to the agency, to the greater short-term risks associated with the negative developments regarding Alitalia (the airline’s prospective bankruptcy) and the resulting impact on ADR’s financial conditions. The credit watch *status* is usually adopted for limited periods of time, thus it is likely to be reviewed shortly;
- on November 7, 2008 the agency lowered its rating from BBB- to BB+, with a negative credit watch. The change was due to uncertainties regarding the future of Alitalia and ADR’s role as a hub for Alitalia following its expected privatization.

During its reviews, Moody’s kept ADR S.p.A.’s rating unaltered.

As a result of the above, the trigger event clause – which had been activated after Standard & Poor’s lowered the rating assigned on November 30, 2007 (from BBB stable to BBB- stable) – is still effective.

As described more extensively in the Notes on “payables”, the trigger event has activated stricter requirements for the Company in its cash flow management activities, including, among others, a) the obligation, as debt service dates approach, to allocate the residual cash available to the repayment/collateralization of repayable/non-repayable debt; and b) an embargo on the payment of dividends.

Moreover, creditors are given the power to: i) obtain any information deemed necessary in relation to the event; ii) take part in devising a recovery plan and the related implementation schedule; iii) to appoint an independent expert to take part in drawing up the business plan containing the measures and remedies designed to restore an acceptable rating.

ADR S.p.A. has taken action for a rapid return to adequate rating levels as well as to mitigate the ensuing restrictive regime. A step in that direction was the creditor’s consent, in relation to the payments due on March 20, 2008 and September 20, 2008, to waive the cash sweep restriction and the formal notification of debtors in connection with the pledge of receivables as security.

Furthermore, ADR S.p.A. obtained consent to repay and, subsequently, to refinance the Class B bonds issued by Romulus with a new line of credit provided by the EIB. Consent for this transaction was given because of the significant reduction in the cost, and an extension of the average life, of the debt.

In view of confirmation for 2009 of the waiver regime previously authorized in 2008, following Standard & Poor's downgrading of ADR S.p.A.'s debt to below investment grade (BB+) on November 7, 2008, on December 12, 2008 ADR S.p.A. requested a new waiver from its lenders. The outcome of this request, aimed at extending the pre-existing waiver in respect of the trigger event, is described in the section "subsequent event".

– *Risks related to loan covenants.*

The agreements in place reflect not only the significant amount of credit provided but also the particular legal and financial structure of the original loans extended to ADR S.p.A..

In fact, it is a composite structure, whereby ADR S.p.A. owes 1.2 billion euros to a vehicle – Romulus Finance S.r.l. – which was established pursuant to Law no. 130/1999 and is held by two Dutch-based foundations. This vehicle acquired in turn, following a securitization transaction, a pre-existing bank loan through a Luxembourg bond issue subscribed by institutional investors and guaranteed by a monoline insurance company. Moreover, ADR S.p.A. owes the remaining amount of 293.4 million euros received from banks in term loans carrying the same covenants as those contained in the agreement between ADR S.p.A. and Romulus Finance S.r.l..

The monoline insurance company's guarantee and the *pari passu* rank for all ADR's creditors involve a number of covenants intended to:

- ensure that adequate rating levels are maintained;
- prevent that the rights attributed to each creditor are determined in a manner other than in accordance with pre-established rules.

Some of the main covenants, set against this backdrop, are as follows:

- financial assets may only be acquired with the permission of creditors or via a "non-recourse vehicle", and in any case only using authorized borrowing or liquidity;
- income from the sale of financial assets may be used for investment or, if not used within 12 months of collection, must be used to repay borrowings;
- dividends may only be distributed if specific financial ratios exceed contractually pre-established thresholds, and if no events of default or trigger events have occurred;
- further loans may only be undertaken if the above financial ratios exceed determined thresholds (higher than those required under normal lending conditions) and if the rating awarded to ADR is greater than pre-defined minimum levels;
- if a maturing line of credit is not repaid at least 12 months before the maturity date, any surplus cash flow generated during this period must be allocated on a priority basis (based on defined proportions) to the repayment of borrowing, which is known as a retention regime.



However, if determined financial ratios are not met 24 months ahead of maturity, a 24-month retention regime may come into force;

– if the financial ratios are below certain predetermined minimum thresholds, or if the rating is below sub-investment grade levels, or if other specific contractually defined critical situations occur, further restrictive measures relating to cash flow management are set in motion in order to protect creditors from the risk of default by ADR S.p.A..

The foregoing financial ratios (defined on the basis of final and forecast data) include: (i) Debt Service Coverage Ratio (DSCR), measuring the ratio between available cash flow and debt servicing; (ii) Concession Life Coverage Ratio (CLCR), measuring the ratio between discounted future cash flows and net debt; and (iii) Leverage ratio, that is the ratio between net debt and gross operating income.

These ratios are checked twice per year, on the application dates of March 20 and September 20, by applying the calculation methods of the respective ratios to the relative data at December 31 and June 30.

If the above ratios are exceeded, dividends can be distributed (if any surplus cash is available) and if the ratios are exceeded by higher margins, further borrowing may be undertaken. On the other hand, if the ratios fall below specific thresholds, a trigger event or an event of default may occur.

With reference to the most sensitive ratio to short-term changes, represented by the DSCR, the table below summarizes the different DSCR levels and the related consequences laid down in the agreement.

Level	Condition
≥ 1.7	Additional debt
≥ 1.5	Dividends distribution
< 1.25	Trigger event
< 1.1	Default

In September 2008 ADR S.p.A. prepared financial ratios based on the results for the first half of 2008. These ratios were above the minimum levels required to maintain the Company's ordinary operating conditions, except for the possibility to increase gross borrowing, which in any case was already prohibited by the trigger event that has affected ADR since the downgrading of its rating by Standard & Poor's in November 2007.

As to the ratios calculated on the basis of the data for the year ended December 31, 2008, the DSCR was 1.52, the

leverage ratio was 5.84, while the CLCR will be formally calculated, in agreement with the creditors on the application date of September 2009, following approval of the new long-term plan. Moreover, the loan agreements call for acceleration, termination and withdrawal conditions typical for loans with similar characteristics.

Subsequent events.

Information regarding trends for traffic components for the Roman airport system, during the period January-February 2009, broken down into segments for Fiumicino and Ciampino, and domestic and international traffic, is provided below:

Data as of February 28, 2009 and changes with respect to the same period of 2008.

Total System (January-February 2009)	Domestic	International	Total
Movements	26,019	30,655	56,674
△% vs. PY	-7.5%	-7.1%	-7.3%
Mtow	1,585,439	2,647,495	4,232,934
△% vs. PY	-4.1%	+0.7%	-1.1%
Total Pax	1,786,369	2,939,973	4,726,342
△% vs. PY	-12.4%	-4.1%	-7.4%
Freight (Kg)	843,895	16,570,161	17,414,056
△% vs. PY	-37.8%	-18.0%	-19.2%
Mail (Kg)	1,161,105	903,977	2,065,082
△% vs. PY	-42.5%	-6.8%	-30.9%

Rome Fiumicino (January-February 2009)	Domestic	International	Total
Movements	23,087	25,414	48,501
△% vs. PY	-9.2%	-4.5%	-6.8%
Mtow	1,483,199	2,332,376	3,815,575
△% vs. PY	-6.3%	+4.0%	-0.3%
Total Pax	1,651,004	2,419,444	4,070,448
△% vs. PY	-15.4%	-1.1%	-7.4%
Freight (Kg)	796,606	14,018,591	14,815,197
△% vs. PY	-41.2%	-17.2%	-19.0%
Mail (Kg)	1,161,105	903,977	2,065,082
△% vs. PY	-42.5%	-6.8%	-30.9%

Rome Ciampino (January-February 2009)	Domestic	International	Total
Movements	2,932	5,241	8,173
Δ% vs. PY	+8.6%	-18.1%	-10.2%
Mtow	102,240	315,119	417,359
Δ% vs. PY	+47.5%	-18.3%	-8.3%
Total Pax	135,365	520,529	655,894
Δ% vs. PY	+54.6%	-15.9%	-7.2%
Freight (Kg)	47,289	2,551,570	2,598,859
Δ% vs. PY	+1.213.6%	-22.1%	-20.7%
Mail (Kg)	0	0	0
Δ% vs. PY	0%	0%	0%

During the first two months of 2009 Fiumicino airport registered a decrease in passengers (down 7.4%) and capacity (movements down 6.8% and aircraft tonnage down 0.3%) compared with the same period of 2008.

Traffic at Ciampino airport in the first two months of 2009 registered decreases in passengers (down 7.2%) as well as capacity (movements down 10.2% and aircraft tonnage down 8.3%) due to the transfer of certain carriers and flights to Fiumicino airport.

Overall, the airport system reports continuation of the downturn in traffic that started in the last quarter of 2008, with a reduction of 7.4%. In particular, the domestic segment was down 12.4%, traffic to EU countries was down 10.7%, whilst traffic to countries outside the EU was up 11.5%.

On February 2, 2009 ADR S.p.A. formally initiated a labor mobility procedure pursuant to articles 4 and 24 of Law no. 223/1991 and subsequent amendments.

Discussions with the Labor Unions, in accordance with the legal procedure, were initiated at the offices of the Industrial Union of the Province of Rome on February 5, 2009, and were concluded with the signing of an agreement on March 3. Subsequently, in accordance with the special redundancy arrangements, the agreement was examined at regional level (Lazio Region – Department of Employment, Equal Opportunities and Policies for Young People) and signed on March 10, 2009. The procedure will be completed with the upcoming signature at national government level (Ministry of Employment, Health and Social Policies).

The proposed plan, which also involves ADR Tel S.p.A. and ADR Engineering S.p.A., regards certain white-collar and blue-collar positions, which break down by company as follows: 280 positions at ADR S.p.A. and 14 amongst the subsidiary undertakings.

During the negotiations with the Labor Unions, certain actions aimed at mitigating the social impact of the plan, such as use of the Special Wages Guarantee Fund (*CIGS - Cassa Integrazione Guadagni Straordinari*) and reduction of working hours, were taken into account.

Regarding the Antitrust Authority proceedings concerning airport fees, on January 9, 2009 ADR S.p.A. contested the

Antitrust Authority ruling notified on November 3, 2008 before the Lazio Regional Administrative Court, requesting its cancellation with prior suspension. ADR S.p.A. considers the ruling to be illegitimate, as well as the consequent fine of around 1.7 million euros, specifically because:

- it was adopted on the basis of a deficient preliminary inquiry by the Authority, which misrepresented the statements made by the parties concerned and the content of the investigative documents, thereby ignoring their decisive importance for the purposes of assessing the dispute;
- it exposed the Company to a risk of indiscriminate claims.

At a hearing on January 28, 2009, ADR withdrew its request for suspension lodged with the Regional Administrative Court and, with agreement of the lawyers, was granted the fixing of a hearing to discuss the case in April 2009 by the President of the first section of the Court.

Decree Law no. 185 of November 29, 2008, the so-called “anticrisis package”, was converted into Law no. 2 of January 28, 2009, which was published in no. 22 of the Official Gazette of January 28, 2009.

With this conversion a new paragraph, “3-bis”, was added to art. 4, which modifies the use of the provisions (established under art. 1, paragraph 1328, of the 2007 Finance Bill) allocated for the fire protection and firefighting service. This allowance is provided by the airport operator in proportion to the amount of traffic generated. As of January 1, 2009, 40% of these provisions will be used to implement public assistance agreements, to be signed year on year between the government and firefighters’ Labor Unions in order to improve the quality of assistance services provided by the firefighters, whilst 60% is aimed at promoting more effective provision of public service activities by firefighters, including specific funds earmarked for the setting up of a special operating allowance for urgent technical assistance provided.

Law no. 2/2009 also converted art. 3, paragraph 1, of Decree Law no. 185/2008 regarding the freezing of tariffs, including minor amendments of no interest to airport operators.

On February 24, 2009 a voluntary non-profit association was established between ADR S.p.A. and SEA S.p.A.. This association, called the Italian airport maintenance watchdog, is based in Segrate, at Linate airport. Membership fees for 2009 were set at 6 thousand euros for each participant. The purpose of the association is to promote a constructive and dynamic dialog regarding practices and innovation amongst the various companies in the airport maintenance sector, as well as providing support to members in their dealings with public or private bodies relating to technical issues of importance for, or with repercussions on, airport services.

On March 4, 2009, ADR S.p.A. obtained the agreement of lenders (the so-called waiver) to extend the waivers previously granted for application of the trigger event consequences to the application date of March 20, 2009. In particular, the cash sweep mechanism will not be activated for this application date.

Regarding the dispute arising from an audit carried out by the Tax Office (*UTF - Ufficio Tecnico di Finanza*) relating

to consumption tax and the related surcharge on electricity, Rome's Provincial Tax Commission handed down and submitted ten sentences, all of which were in the Company's favor, concerning the disputes discussed on January 20 and 27, 2009. These sentences are in addition to those already handed down by the Tax Commission during 2008 regarding nine other appeals relating to findings contested during the same audit.

The Decree of the Ministry of Infrastructure and Transport of December 10, 2008, in which the new version of the Guidelines are approved and the previous Interministerial Decree no. 41/T is revoked, was published in no. 42 of the Official Gazette of February 20, 2009.

In a sentence submitted on March 10, 2009 the Council of State overturned the decision of the Regional Administrative Court and accepted the appeal lodged by Assaereo (National Association of Air Transport Carriers and Operators) against the 2006 ruling in which the Civil Aviation Authority had set a limit on the connection with the cost of fees charged by airport operators for refueling services provided by oil companies. The financial effects of this ruling are not currently quantifiable, as the Civil Aviation Authority has been requested to instigate a new inquiry to set fees to be defined taking into account the findings arising from this judgment.

Outlook for 2009.

For 2009 the projections of international organizations, such as IATA, forecast a 3.0% downturn in world air traffic. In Italy, this contraction could be greater. In the first two months of 2009 passenger traffic at Fiumicino and Ciampino airports registered a decrease of 7.4%, which was statistically mitigated by absence of international traffic, still based at Malpensa, during the first months of 2007.

The discussions entered into with the Civil Aviation Authority, both directly and via associations, point towards a positive solution regarding tariffs, which could be applied next year. An adequate tariff system is vital for launching a program to upgrade and modernize airport infrastructures. Lack of such a system, together with a projected reduction in cash flows for ordinary operations, will entail a contraction in investment during 2009.

In order to tackle the downturn in activity, the ADR Group will implement prudent cost-cutting measures, including the labor mobility program described in the section on "subsequent events".

In the immediate future, and even more so in the long term, development plans are conditioned by the uncertainties regarding Alitalia's programs for Italy's main airports (Fiumicino and Malpensa). Fiumicino airport currently serves 151 destinations (including 66 by Alitalia) with around 406 daily flights (including 223 operated by Alitalia).

MANAGEMENT REPORT ON OPERATIONS - ADR GROUP

	2007	January-September 2008	2008	January-February 2009
No. of destinations^(*)	177	186	176	151
No. of flights^(*)	436	469	451	406
No. of airlines^(*)	120	125	125	104

^(*) Data refers to commercial operations with at least one weekly flight; average values for the period under consideration.

In 2008 Ciampino registered an average of 44 daily flights to 33 destinations, figures that have been substantially confirmed in the first two months of 2009.

Negotiations are underway with the new Alitalia to define the services to be provided by ADR S.p.A. if Fiumicino were to remain the company's main hub. Of particular importance in this context are the measures the two companies are preparing to improve the quality of service to passengers on the Rome-Milan route in response to the threat posed by the High-Speed rail link.

Changi Airports International Pte. Ltd has completed its long-term development proposal for the Roman airport system, which will be presented to the authorities and civil society.

Proposals to the Shareholders' Meeting.

Dear Shareholders,

The Financial Statements for the year ended December 31, 2008 report a net loss of 7,047,939.22 euros. We therefore propose that you approve the Financial Statements for 2008, consisting of the Balance Sheet, Income Statement and Notes, and accompanied by the Management Report on Operations, which report a net loss of 7,047,939.22 euros, to be made good for the same amount by using "retained earnings", which are therefore reduced to 16,766,361.71 euros.

Dear Shareholders,

Following the resignations of the Directors, Giovanni Castellucci and Gianni Mion, on March 11, 2009, and the prior resignation of Maurizio Basile, at a meeting held on March 11, 2009 the Board of Directors, pursuant to art. 2386 of the Italian Civil Code, co-opted Valerio Bellamoli, Stefano Cao and Marco Troncone, whose appointments expire at this General Meeting. We therefore invite you to appoint new Directors.

The Board of Directors

**CONSOLIDATED
FINANCIAL
STATEMENTS AS OF
DECEMBER 31, 2008**



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CONSOLIDATED FINANCIAL STATEMENTS - ADR GROUP

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**CONSOLIDATED
BALANCE SHEET AND
INCOME STATEMENT**

ADR GROUP - CONSOLIDATED BALANCE SHEET

as of December 31, 2008 (compared with December 31, 2007) - (Translation from the original issued in Italian)

ASSETS (in thousand of euros)	12.31.2008	12.31.2007
UNPAID SHARE CAPITAL DUE FROM SHAREHOLDERS	0	0
FIXED ASSETS		
Intangible fixed assets:		
– Incorporation and development costs	13	59
– Industrial patents and intellectual property rights	2,412	2,295
– Concessions, licenses, trademarks and similar rights	1,753,866	1,802,708
– Leasehold improvements in process and advances	17,923	35,261
– Others	<u>216,996</u>	<u>179,816</u>
	1,991,210	2,020,139
Tangible fixed assets:		
– Land and buildings	3,014	3,103
– Plant and machinery	46,497	39,340
– Industrial and commercial equipment	1,255	1,580
– Fixed assets to be relinquished	97,340	74,264
– Other assets	4,516	4,287
– Work in progress and advances	<u>17,906</u>	<u>15,091</u>
	170,528	137,665
Non-current financial assets:		
– Equity investments in:		
– unconsolidated subsidiary undertakings	100	100
– associated undertakings	49	49
– other companies	<u>2,719</u>	<u>2,253</u>
	2,868	2,402
– Receivables due from others:		
– within 12 months	3	3
– beyond 12 months	<u>543</u>	<u>716</u>
	546	719
	3,414	3,121
Total fixed assets	2,165,152	2,160,925
CURRENT ASSETS		
Inventory:		
– Raw, ancillary and consumable materials	2,913	2,817
– Contract work in progress	10,667	7,831
– Finished goods and goods for resale:		
– goods for resale	<u>8,342</u>	<u>8,298</u>
	8,342	8,298
– Advances	<u>0</u>	<u>113</u>
	21,922	19,059
Receivables:		
– Due from clients	157,905	149,913
– Due from associated undertakings	530	530
– Due from parent companies	48	0
– Due from tax authorities	3,531	2,513
– Deferred tax assets	25,012	14,408
– Due from others:		
– various:		
– within 12 months	49,220	51,605
– advances to suppliers for services to be rendered	<u>747</u>	<u>38</u>
	49,967	51,643
Marketable securities	236,993	219,007
	0	0
Cash on hand and in banks:		
– Bank and post office deposits	141,476	158,024
– Checks	0	0
– Cash and notes in hand	<u>885</u>	<u>1,146</u>
	142,361	159,170
Total current assets	401,276	397,236
ACCRUED INCOME AND PREPAID EXPENSES		
Accrued income and other prepaid expenses	4,049	3,756
TOTAL ASSETS	2,570,477	2,561,917

CONSOLIDATED BALANCE SHEET - ADR GROUP

as of December 31, 2008 (compared with December 31, 2007) - (Translation from the original issued in Italian)

LIABILITIES AND SHAREHOLDERS' EQUITY (in thousand of euros)	12.31.2008	12.31.2007
SHAREHOLDERS' EQUITY		
Share capital:		
- Ordinary shares	62,310	62,310
Share premium reserve	667,389	667,389
Revaluation reserves	0	0
Legal reserve	12,462	12,462
Statutory reserves	0	0
Reserve for own shares	0	0
Other reserves	0	0
Retained earnings (accumulated losses)	(11,093)	(28,984)
Group net income (loss) for the year	(8,271)	17,891
	722,797	731,068
MINORITY INTEREST		
Share capital, reserves and net income (loss) for the year	1,554	1,971
	1,554	1,971
Group and minority interest in consolidated shareholders' equity	724,351	733,039
ALLOWANCES FOR RISKS AND CHARGES		
Other	29,538	29,637
Total allowances for risks and charges	29,538	29,637
EMPLOYEE SEVERANCE INDEMNITIES	37,392	37,843
PAYABLES		
Due to banks:		
- within 12 months	2,966	7,081
- beyond 12 months	293,350	243,250
	296,316	250,331
Due to other financial institutions:		
- within 12 months	13,907	14,640
- beyond 12 months	1,200,019	1,265,019
	1,213,926	1,279,659
Advances:		
- From clients:		
- from the Ministry of Transport:		
- within 12 months	278	278
- beyond 12 months	4,770	4,770
- other	8,563	4,534
	13,611	9,582
Due to suppliers:		
- within 12 months	143,004	134,038
- beyond 12 months	4,637	3,833
	147,641	137,871
Due to associated undertakings:		
- within 12 months	1,003	1,003
	1,003	1,003
Due to parent companies:		
- within 12 months	21,241	14,995
	21,241	14,995
Taxes due:		
- within 12 months	33,030	20,711
	33,030	20,711
Due to social security agencies	6,273	7,036
Other payables: various creditors:		
- within 12 months	40,293	34,421
- beyond 12 months	1,227	1,463
	41,520	35,884
Total payables	1,774,561	1,757,072
ACCRUED EXPENSES AND DEFERRED INCOME		
Accrued expenses and other deferred income	4,635	4,326
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,570,477	2,561,917

ADR GROUP - CONSOLIDATED MEMORANDUM ACCOUNTS

as of December 31, 2008 (compared with December 31, 2007) - (Translation from the original issued in Italian)

CONSOLIDATED MEMORANDUM ACCOUNTS (in thousand of euros)	12.31.2008	12.31.2007
GENERAL GUARANTEES		
Sureties	111	111
Other	<u>213</u>	<u>450</u>
	324	561
COLLATERAL GUARANTEES	0	0
COMMITMENTS ON PURCHASES AND SALES	102,730	108,319
OTHER	943,489	921,414
TOTAL CONSOLIDATED MEMORANDUM ACCOUNTS	1,046,543	1,030,294

CONSOLIDATED INCOME STATEMENT - ADR GROUP

for the year ended December 31, 2008 (compared with the year ended December 31, 2007) - (Translation from the original issued in Italian)

CONSOLIDATED INCOME STATEMENT (in thousand of euros)	Year 2008	Year 2007
TOTAL REVENUES		
Revenues from sales and services:		
– Revenues from sales	87,040	79,889
– Revenues from services	480,160	476,709
– Revenues from contract work	0	567,200
Changes in contract work in progress	2,837	18
Capitalized costs and expenses	8,678	5,309
Other income and revenues:		
– Revenue grants	95	0
– Profits on disposals	85	93
– Other	6,079	5,995
	6,259	6,088
	584,974	568,013
OPERATING COSTS		
Raw, ancillary and consumable materials and goods for resale	81,415	68,547
Services	116,940	106,958
Leases	13,107	10,557
Payroll:		
– Wages and salaries	87,724	85,851
– Social security	23,549	24,517
– Employee severance indemnities	6,635	6,726
– Other	1,275	1,215
	119,183	118,309
Depreciation, amortization and write-downs:		
– Amortization of intangible fixed assets	86,510	82,533
– Depreciation of tangible fixed assets	18,342	15,537
– Provisions for doubtful accounts	2,580	5,524
	107,432	103,594
Changes in inventories of raw, ancillary and consumable materials and goods for resale	(140)	2,091
Provisions for risks	192	7,131
Other provisions	390	180
Sundry operating costs:		
– Losses on disposals	0	40
– License fees	15	16
– Other	50,099	6,245
	50,114	6,301
	(488,633)	(423,668)
Operating income	96,341	144,345
FINANCIAL INCOME AND EXPENSE		
Other financial income:		
– From long-term receivables:		
– other	4	13
– Other:		
– interest and commissions from others and sundry revenues	16,458	11,243
	16,462	11,256
Interest expense and other financial charges:		
– Interest and commissions to others and sundry charges	98,171	89,912
	(98,171)	(89,912)
Profits and losses on exchange:		
– Profits	57	114
– Losses	7	15
	50	99
Total financial income (expense), net	(81,659)	(78,557)

CONSOLIDATED INCOME STATEMENT (in thousand of euros)	Year 2008	Year 2007
ADJUSTMENTS TO FINANCIAL ASSETS	0	0
EXTRAORDINARY INCOME AND EXPENSE		
Income:		
– Gains on disposals	0	1,384
– Other	661	617
	661	2,001
Expense:		
– Taxes relating to previous years	4	28
– Other	5,310	2,398
	(5,314)	(2,426)
Total extraordinary income (expense), net	(4,653)	(425)
Income before taxes	10,029	65,363
Income taxes of the year, current, deferred assets (liabilities):		
– Current	(28,299)	(42,914)
– Deferred tax assets (liabilities)	10,604	(3,531)
Total taxes	(17,695)	(46,445)
Net income (loss) for the year	(7,666)	18,918
of which:		
– Minority interest	605	1,027
– Parent Company's share	(8,271)	17,891

**NOTES
TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

General principles.

(Translation from
the original issued
in Italian)

The Consolidated Financial Statements for the year ended December 31, 2008, prepared in accordance with the Accounting Standards issued by the Italian

Accounting Profession and the Italian Accounting Standards Setter (collectively referred to as Italian GAAP), comprise the Consolidated Balance Sheet and Income Statement and the following Notes.

The reporting date for the Consolidated Financial Statements is that of the Financial Statements of the Parent Company, ADR S.p.A.. The reporting date used in the Financial Statements of subsidiary undertakings used for consolidation purposes is December 31, 2008.

The accounting policies adopted are those required by the relevant legislation, interpreted and integrated by the Accounting Principles established by the Italian Accounting Profession, and are those applied throughout the Group. The reconciliation of shareholders' equity and net income as of and for the year ended December 31, 2008, as reported in the Financial Statements of ADR S.p.A., and the related consolidated amounts for the same period is shown in the note to consolidated shareholders' equity.

Amounts shown in the Consolidated Financial Statements are expressed in thousands of euros.

The Balance Sheet data as of December 31, 2008 and the Income Statement for the year then ended are compared with the data for 2007. The Income Statement and Balance Sheet items, preceded by Arabic numerals, showing zero balances across the periods used for comparison are not shown.

Basis of consolidation.

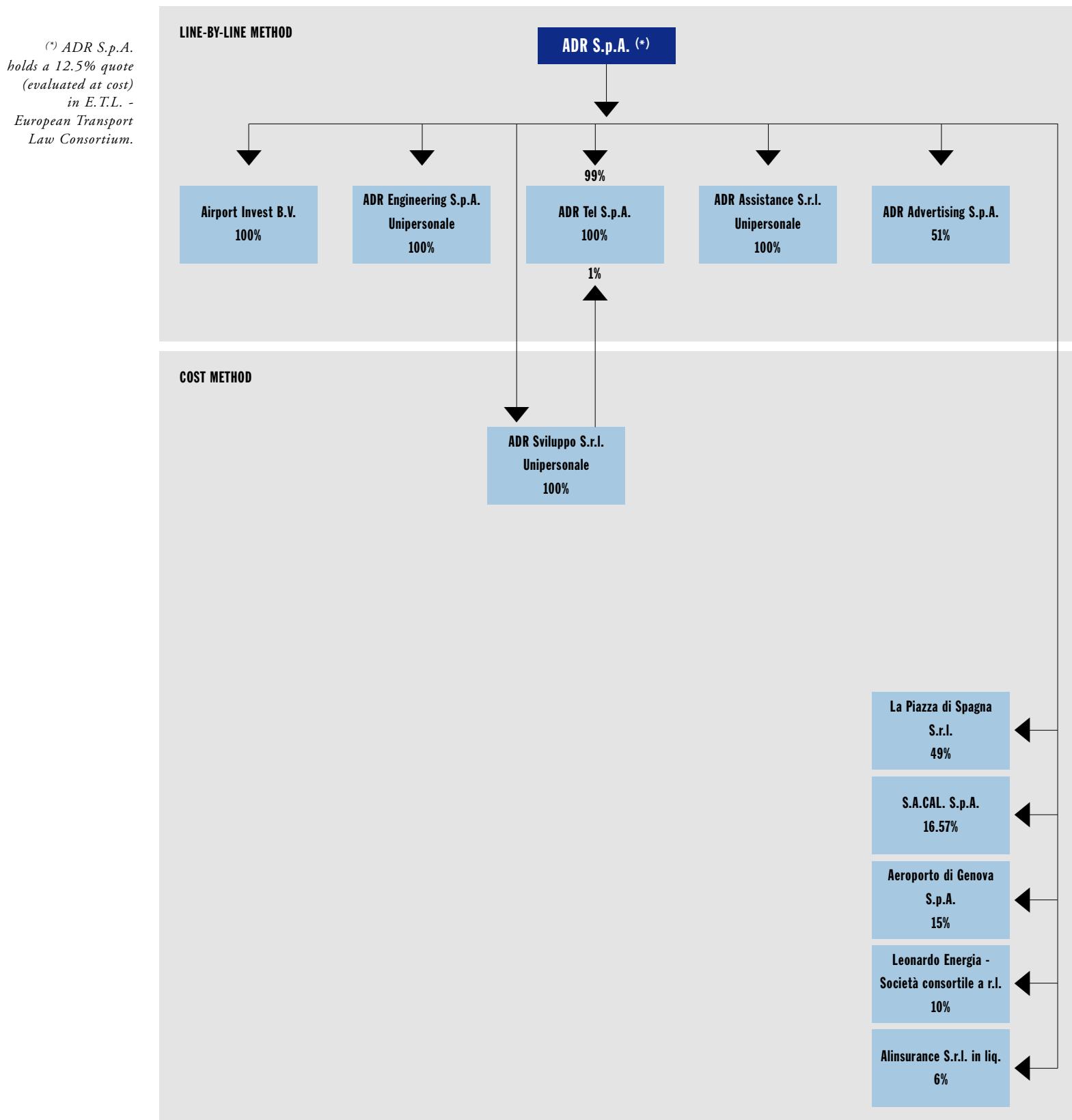
The Consolidated Financial Statements for the year ended December 31, 2008 include the Financial Statements for the same period, consolidated on a line-by-line basis, of the Parent Company, ADR S.p.A., and the Italian and overseas subsidiary undertakings in which the Parent Company holds, either directly or indirectly, the majority of the voting shares. As of December 31, 2008, the basis of consolidation includes the following companies:

Companies consolidated on a line-by-line basis	Registered office	Currency	Share capital	Group's %	Via: Company	%
ADR S.p.A.	Fiumicino (Rome)	EUR	62,309,801.00		Parent Company	
Airport Invest B.V.	Amsterdam (Holland)	EUR	101,039.90	100.0%	ADR	100.0%
ADR Engineering S.p.A. - Unipersonale	Fiumicino (Rome)	EUR	774,690.00	100.0%	ADR	100.0%
ADR Assistance S.r.l. - Unipersonale	Fiumicino (Rome)	EUR	6,000,000.00	100.0%	ADR	100.0%
ADR Tel S.p.A.	Fiumicino (Rome)	EUR	600,000.00	99.0%	ADR	^(a) 99.0%
ADR Advertising S.p.A.	Fiumicino (Rome)	EUR	1,000,000.00	^(b) 25.5%	ADR	25.5%

^(a) The remaining 1% stake is held by ADR Sviluppo S.r.l. - Unipersonale, which is not included in the basis of consolidation.

^(b) Equity investment in the company's total share capital of 1,000,000 euros (including preference shares). The interest in the ordinary share capital amounts to 500,000 euros (51%).

Basis of consolidation as of December 31, 2008.



NOTES TO THE FINANCIAL STATEMENTS - ADR GROUP

Compared with the Consolidated Financial Statements at December 31, 2007, the basis of consolidation includes the subsidiary undertaking, ADR Assistance S.r.l. - Unipersonale, incorporated on June 23, 2008.

The following equity investments are valued at cost:

Companies valued at cost	Registered office	Currency	Share capital	Group's %	Via:	
					Company	%
ADR Sviluppo S.r.l. - Unipersonale	Fiumicino (Rome)	EUR	100,000.00	100.00%	ADR	100.00%
La Piazza di Spagna S.r.l.	Fiumicino (Rome)	EUR	100,000.00	49.00%	ADR	49.00%
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	Tessera (Venice)	EUR	103,200.00	20.00%	ADR	20.00%
S.A.CAL. S.p.A.	Lamezia Terme (Catanzaro)	EUR	7,755,000.00	16.57%	ADR	16.57%
Aeroporto di Genova S.p.A.	Genova Sestri	EUR	7,746,900.00	15.00%	ADR	15.00%
Leonardo Energia - Società Consortile a r.l.	Milan	EUR	10,000.00	10.00%	ADR	10.00%
Consorzio E.T.L. - European Transport Law	Rome	EUR	82,633.04	12.50%	ADR	12.50%
Alinsurance S.r.l. (in liquidation)	Rome	EUR	104,000.00	6.00%	ADR	6.00%

The holding in the subsidiary undertaking, ADR Sviluppo S.r.l. - Unipersonale, has not been consolidated as the Company, which was incorporated on July 27, 2001, is not yet operational.

The holding in the associated undertaking, La Piazza di Spagna S.r.l., has been valued at cost and not according to the equity method, as the Company, which was incorporated on December 17, 2003, is not yet operational. The holding in the associated undertaking, Ligabue Gate Gourmet Roma S.p.A., has also been valued at cost, due to the fact that the Company is insolvent.

Consolidation principles.

The main consolidation principles are described below:

- the carrying amount of consolidated equity items has been eliminated against the corresponding entry of individual asset and liability items, in accordance with the line-by-line method. Any positive differences arising are included among fixed assets under the item “goodwill arising from consolidation”, which is amortized on a straight-line basis in relation to the estimated possibility of recovery. Any negative differences are posted to the “reserve for consolidation adjustments” under shareholders’ equity, or to the “consolidation allowance for risks and charges” should such negative goodwill be due to forecast losses;
- the minority interest in net income and shareholders’ equity are reported separately as appropriate items in the Income Statement and under shareholders’ equity;

- inter-company profits and losses still to be realized, as well as significant sums relating to payables and receivables and costs and revenues relating to consolidated companies have been eliminated;
- adjustments made to eliminate items of a purely fiscal nature, as well as other consolidation adjustments, take account, where applicable, of the related deferred taxation. Furthermore, the statements show deferred tax assets relating to items which will be recoverable in future years;
- dividends received by subsidiary undertakings during the period and recorded in the Parent Company's Income Statement as income from equity investments are eliminated against the item retained earnings. Dividends paid by subsidiary undertakings, posted on an accruals basis in the Parent Company's accounts, are eliminated;
- the Financial Statements denominated in foreign currency have been translated into euros using “current exchange rates”. Balance sheet items, with the exception of those forming shareholders' equity, have been translated using closing exchange rates, whilst average exchange rates for the period were applied to income statement items. Any exchange rate differences arising have been recorded among consolidated shareholders' equity;
- in the event of the disposal of a controlling interest to third parties, the gain or loss on the transaction recognized in the Consolidated Financial Statements represents the difference between the sale price and the subsidiary's shareholders' equity at the transaction date (thus including net income or loss reported for the months prior to the disposal), plus any residual carrying amount of “goodwill arising from consolidation”.

Explanation added for translation into English.

The Consolidated Financial Statements have been translated into English from the original version in Italian. They have been prepared in accordance with the Italian law related to financial statements, interpreted and integrated by the Accounting Principles established by the Italian Accounting Profession. Certain accounting practices applied by the Company that conform to generally accepted Accounting Principles in Italy do not conform with the generally accepted accounting principles in other Countries.

Accounting policies.

The accounting policies adopted in the preparation of the Consolidated Financial Statements for the year ended December 31, 2008 are those required by the relevant legislation, interpreted and integrated by the Accounting Principles established by the Italian Accounting Profession, and are those applied throughout the Group.

The most relevant accounting policies are summarized below. A more detailed explanation of certain policies can be found in the notes to the single classes of items.

Fixed assets.

These are recorded at purchase cost and are revalued, where necessary, for single items in accordance with the laws applying to monetary revaluation. Directly connected incidental costs are included in the purchase cost. Should there be a permanent impairment of value of such fixed assets, the relevant fixed asset is written down accordingly. The appropriate value of such fixed assets, adjusted solely to take account of accumulated amortization or depreciation, is reinstated if the reasons for any write-downs subsequently cease to apply.

Intangible fixed assets.

Intangible fixed assets have limited useful lives and their cost is amortized on a straight-line basis during each financial year in relation to their residual useful lives.

In particular:

– Incorporation and development costs.

These are reported under assets at purchase cost, with the consent of the Board of Statutory Auditors, and amortized over a period of five years.

– Industrial patents and intellectual property rights.

These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, over what is usually established by tax legislation as being three years.

– Concessions, licenses, trademarks and similar rights.

These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, and is applied over a period of three years in the case of concessions and licenses and of not more than ten years for trademarks. The value of the airport management concession, paid by the Parent Company, Leonardo S.p.A. (now ADR S.p.A.) on acquiring its holding in ADR, is amortized on the basis of the residual concession term, which will expire on June 30, 2044.

– Other.

This item essentially includes:

- *leasehold improvements*: improvements (modernization, upgrades), having a service life of several years, carried out on assets belonging to third parties (held under concession or constructed on behalf of the State). These costs are amortized in relation to their residual service lives, usually less than the period of the concession;
- *transaction costs incurred on loans*: the charges incurred to obtain medium- and long-term loans (such as

investigative charges, legal fees, etc.) are capitalized and amortized on the basis of the duration of the loan, in accordance with the financial method.

Tangible fixed assets.

Tangible fixed assets have a limited service life and their cost is depreciated on a straight-line basis during each financial period according to their residual service life. Rates of depreciation are applied that reflect the estimated useful lives of the assets. The rates used are summarized below:

Land and buildings	10%
Plant and machinery	from 10% to 25%
Industrial and commercial equipment	from 10% to 25%
Fixed assets to be relinquished	4%, 10%
Other assets	from 10% to 25%

– *Land and buildings.*

These are recorded at purchase cost adjusted in accordance with art. 3 of Law no. 72/1983.

– *Fixed assets to be relinquished.*

Such assets are recorded at purchase cost adjusted in accordance with the above-mentioned art. 3 of Law no. 72/1983, including any ancillary charges and subsequent development costs. Such assets are depreciated in relation to their residual useful lives. In addition, provisions are made for transfer costs relating to the “fixed assets to be relinquished”, with the aim of covering the estimated costs which will be borne at the end of the concession term (in 2044) when the assets are to be transferred to the Concession Provider in good working condition.

Non-current financial assets.

The investment in the unconsolidated subsidiary undertaking (ADR Sviluppo S.r.l.) has been valued at cost; this method of valuation, given that the company is a start-up, is in any event representative of the Group's interest in shareholders' equity.

Equity in associated undertakings is valued in accordance with the equity method. Equity in the associated undertaking, La Piazza di Spagna S.r.l., which is not operative, is valued at cost.

Other investments are recorded at purchase cost, adjusted to reflect any long-term loss in value.

Should the Company decide to dispose of an equity investment previously accounted for in non-current financial assets, the investment is reclassified to “current financial assets”.

Non-current receivables are recorded at their nominal value.

Current assets.

Inventories.

- *Inventories of raw, ancillary and consumable materials, finished goods and goods for resale.*

These are recorded at the lower of the weighted average purchase cost and the estimated realizable value taking into account market price trends.

- *Contract work in progress.*

These assets are recorded on the basis of the percentage-of-completion method (determined on the basis of the ratio of costs sustained to the total cost of the project). The value of the work so far completed and for which repayment is considered definite is recorded among revenues. Any additional costs borne by the Group in relation to changes in the original project, as requested by the Concession Provider, constitute, depending on the nature of the changes, either a write-down of the agreed value (in the case of assets which may not be operated autonomously) or, alternatively, intangible fixed assets (where such variations are considered improvements to and/or conversions of third party assets).

Receivables.

These are recorded at their estimated realizable value.

Marketable securities.

These assets are recorded at the lower of cost and realizable value.

Cash on hand and in banks.

These are recorded at their nominal value assuming the clearance of bank checks and the availability of bank deposits.

Accruals and deferrals.

Accruals and deferrals are valued in accordance with the matching concept, by means of dividing costs and revenues relating to two or more financial periods over the period to which they relate.

Allowances for risks and charges.

These are made up of provisions aimed at covering sundry losses of a determinate nature and of certain or probable occurrence. The evaluation of risks and charges also takes into account liabilities which have become known between the closure of the accounting period under consideration and the date of the preparation of these Financial Statements. Such allowances are held to be adequate to cover related losses and charges.

Employee severance indemnities.

Employee severance indemnities were calculated for all employees and in accordance with governing legislation. This amount was calculated for indemnities accrued up to December 31, 2008 and is shown net of any advance payments and amounts paid in the form of supplementary pension benefits or to the Treasury Fund set up at the Italian Social Security Institute (INPS).

Following the entry into force of the reform of supplementary pensions on January 1, 2007, the personnel of private companies with more 50 employees may choose to have their employee severance indemnities allocated to a form of supplementary pension fund or leave them with their company. In the latter case, the company pays employee severance indemnities into a fund set up at INPS, in accordance with the implementing Decree of January 30, 2007, denominated Allowance for employee severance indemnities or Treasury Fund. Consequently, amounts for employee severance indemnities maturing as of January 1, 2007 are classified on a monthly basis under "due to social security agencies". The following month the indemnities are paid to the supplementary pension fund or the Treasury Fund.

Payables.

Payables are recorded at their nominal value.

Receivables and payables recorded in foreign currency.

Items expressed in foreign currency are posted at the historical exchange rate on the day a transaction is carried out. Any exchange rate differences, incurred on collection of receivables or on settlement of payables denominated in foreign currency, are recorded in the Income Statement under "foreign exchange gains and losses".

If the translation of receivables and payables denominated in foreign currency, at closing rates, results in a net gain or loss, such an amount is recorded in the Income Statement under "foreign exchange gains and losses".

Memorandum accounts.

General/secured guarantees given.

These are valued in accordance with the period-end residual value of the debt or securities guaranteed.

Commitments on purchases and sales.

This item reports the value of contracts to be fulfilled and which imply a commitment, on the part of the Group, to third parties. Non-quantifiable commitments are not recorded, but are described in a relevant note if of significant value.

Other.

- *Secured/general guarantees received.*

These are recorded at an amount approximately equal to the residual value due at period end. These primarily consist of sureties granted by major banks and insurance companies.

- *Third parties' assets lodged with the company (principally assets received under the concession).*

These are recorded at values based on the latest estimate made by UTE (Tax Technical Office) in 1979 or, in the case of works financed by the State and then subsequently received under the concession, at the value of the work completed and invoiced to the Ministry of Infrastructure and Transport, in accordance with agreements.

- *Company-owned assets lodged with third parties.*

These are recorded at their net book value.

Revenues.

Revenues are reported net of returns, discounts, reductions and premiums as follows:

- revenues from sales: upon delivery;
- revenues from services: upon supply of the service.

Income taxes.

“Current taxes” are calculated on the basis of taxable income. The related payable is posted to “taxes due”.

Regarding participation in the domestic tax consolidation regime by ADR S.p.A. and the subsidiary undertakings, ADR Tel S.p.A., ADR Engineering S.p.A. - Unipersonale and ADR Sviluppo S.r.l. - Unipersonale, as consolidated companies, and the Parent Company, Gemina S.p.A., as the consolidating company, taxable income and tax losses transferred to the Consolidating Company are recorded under current tax “expense” and “income from tax consolidation”, respectively, with contra-entries for amounts due to and from parents.

The Consolidated Companies also transfer withholding taxes, tax credits and rebates from previous tax returns to the Consolidating Company. These may be offset against IRES calculated on consolidated income.

“Deferred tax assets” and “liabilities” represent the temporary difference between taxable income and net income. Deferred tax assets are recorded only when there is reasonable certainty of their recoverability. Deferred tax liabilities are not recorded when there is little possibility of the charge actually being incurred. The balance of deferred tax assets and liabilities are reported under the “allowance for deferred tax liabilities” in the case of a liability and under “deferred tax assets” in the case of an asset.

Derivatives contracts.

The positive and negative interest rate differentials, deriving from “Interest Rate Swaps”, accrued at the end of the period are recorded on the accruals basis in the Income Statement among financial income and expense.

The Group’s hedging policy, in accordance with obligations laid down in loan agreements, stipulates that at least 51% of the loan should be subject to a fixed rate of interest.

Notes to the Consolidated Balance Sheet.

Fixed assets.

Intangible fixed assets.

An analysis of the most important changes during the year reveals the following:

– “Concessions, licenses, trademarks and similar rights” include the value of the airport concession, amounting to 1,749,570 thousand euros as of December 31, 2008. The decrease of 48,842 thousand euros is due to amortization for the year (51,759 thousand euros), partly offset by investment (2,232 thousand euros) and transfers from work in process and reclassifications (685 thousand euros);

Intangible fixed assets	12.31.2007		
	Cost	Amortization	Book value
Incorporation and development costs	1,879	(1,820)	59
Industrial patents and intellectual property rights	6,291	(3,996)	2,295
Concessions, licenses, trademarks and similar rights	2,185,220	(382,512)	1,802,708
Leasehold improvements in process and advances:			
– Leasehold improvements in process	32,801	0	32,801
– Advances to suppliers	2,460	0	2,460
	35,261	0	35,261
Others:			
– Leasehold improvements	452,031	(298,081)	153,951
– Ancillary charges for loans	53,383	(27,518)	25,865
	505,415	(325,599)	179,816
Total	2,734,066	(713,927)	2,020,139

NOTES TO THE FINANCIAL STATEMENTS - ADR GROUP

- “Leasehold improvements in process and advances” decreased by 17,337 thousand euros in 2008 due to the following:
 - a decrease of 18,333 thousand euros deriving from improvements entering service during the period and reclassified under “industrial patent and intellectual property rights” “concessions, licenses, trademarks and similar rights” and “leasehold improvements”, as well as adjustments;
 - a decrease of 8,705 thousand euros due to reclassification of works in progress at Pier C under “tangible fixed assets in process and advances”. Given that, according to the most recent cost estimates, the works have been largely self-financed by ADR S.p.A., they will become part of the Company’s concession assets;
 - an increase of 9,701 thousand euros for new investments;
- “Other” intangible fixed assets increased by 37,180 thousand euros. “Leasehold improvements” rose by 40,509 thousand euros due to purchases during the year (51,464 thousand euros), and transfers from work in process and reclassifications (up 18,949 thousand euros), partly offset by disposals (4 thousand euros) and amortization for the year (29,900 thousand euros). “Ancillary charges for loans” rose by 425 thousand euros due to capitalization of costs incurred on May 27, 2008 in connection with the granting of the EIB loan. Amortization for the period, amounting to 3,754 thousand euros, also includes recognition in the Income Statement of a portion of the residual transaction costs regarding portions of “Loan B”, the “Term Loan Facility” and the line of credit granted by BIIS - Banca Infrastrutture Innovazione e Sviluppo (formerly Banca OPI), which were repaid in advance in March 2008. For further information, reference should be made to the notes on “payables”.

The principal leasehold improvements in process (equal to 9,620 thousand euros) include:

- new Alitalia warehouse at the Cargo City (2,470 thousand euros);

Changes during the year				12.31.2008		
Purchases/ Capitalization	Write-downs(-)/ Value recoveries (+)	Reclassifications	Amortization	Cost	Amortization	Book value
13	0	0	(59)	1,892	(1,879)	13
955	0	200	(1,038)	7,446	(5,034)	2,412
2,232	0	685	(51,759)	2,188,136	(434,270)	1,753,866
9,620	0	(24,579)	0	17,842	0	17,842
81	0	(2,460)	0	81	0	81
9,701	0	(27,039)	0	17,923	0	17,923
51,464	(4)	18,949	(29,900)	522,438	(327,979)	194,459
425	0	0	(3,754)	53,809	(31,272)	22,537
51,889	(4)	18,949	(33,654)	576,247	(359,251)	216,996
64,790	(4)	(7,205)	(86,510)	2,791,645	(800,434)	1,991,210

- upgrading of signage in front of the hangar at Ciampino airport (338 thousand euros);
- extraordinary runway maintenance at Ciampino (534 thousand euros);
- new passenger signage system in terminals (1,935 thousand euros).

The main leasehold improvements completed during the year (equal to 51,464 thousand euros) include:

- replacement of carpets in the transit gallery of Terminal C (340 thousand euros);
- new feed lines for baggage carousels at Terminal B (453 thousand euros);
- maintenance and incorporation of connecting runway “AVL” signage (702 thousand euros);
- upgrading of air conditioning equipment at B11/B21 gate area of Terminal B (326 thousand euros);
- extraordinary maintenance of the filtering systems of the evaporation control systems (459 thousand euros);
- renovation of Terminal rest rooms (583 thousand euros);
- maintenance of Terminal air conditioning equipment (310 thousand euros);
- road and car park maintenance at Ciampino (209 thousand euros);
- unification of Terminal access points (1,846 thousand euros);
- plant and civil engineering works at the West Pier (1,702 thousand euros);
- upgrading and implementation of flight infrastructure for Runway 1 (32,866 thousand euros);
- telephone network improvement works (ADR Tel) (1,394 thousand euros).

Once again in 2008, investment in airport infrastructure development was funded from increased boarding fees received during the year (in accordance with paragraphs 9 and 10 of art. 10, Law no. 537/1993).

Tangible fixed assets.

Net “tangible fixed assets” rose by 32,863 thousand euros primarily due to investment (44,425 thousand euros),

Tangible fixed assets	12.31.2007				
	Cost	Reval. Law 72/1983	Depreciation	Allowances for depreciation	Book value
Land and buildings	20,670	465	0	(18,032)	3,103
Plant and machinery	104,497	0	0	(65,157)	39,340
Industrial and commercial equipment	8,144	0	0	(6,564)	1,580
Fixed assets to be relinquished	161,444	1,908	0	(89,088)	74,264
Other assets	40,237	0	0	(35,950)	4,287
Work in progress and advances	15,091	0	0	0	15,091
Total	350,083	2,373	0	(214,791)	137,665

NOTES TO THE FINANCIAL STATEMENTS - ADR GROUP

reclassification of the item “other - leasehold improvements in process” as mentioned in the section on “tangible fixed assets” (8,705 thousand euros) and negative reclassification (1,925 thousand euros), partly offset by depreciation of 18,342 thousand euros.

The most significant capitalizations during the period include:

- within the category “plant and machinery” (13,279 thousand euros), the acquisition of baggage screening and security equipment (1,765 thousand euros), security equipment (2,066 thousand euros), baggage transportation equipment (730 thousand euros), communications and special airport equipment (1,845 thousand euros), advertising equipment for ADR Advertising S.p.A. (605 thousand euros) and vehicles operating in the airport area equipped for transporting passengers with reduced mobility (1,361 thousand euros);
- within the category “assets to be relinquished” (19,692 thousand euros) civil engineering works and buildings (7,828 thousand euros) and equipment (2,847 thousand euros) regarding construction of the new Terminal 5; civil engineering works and buildings (5,565 thousand euros) regarding the new Office Tower and civil engineering works and buildings (1,373 thousand euros) regarding the new Kilo 3 building;
- within the category “tangible fixed assets in progress and advances” (8,573 thousand euros), the new Pier C – portion financed by ADR (2,910 thousand euros), works for the transfer of Alitalia’s cargo activities to the common services building at Cargo City (749 thousand euros) and the new baggage handling system at the former Alitalia cargo building (995 thousand euros).

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, EIB and BIIS (formerly Banca OPI) – described in detail in the Notes to “payables” – has been granted a lien (in the form of a mortgage ranking *pari passu* with other claims) on the plant, machinery and capital goods recorded at any time in the book of depreciable assets and ADR S.p.A.’s inventory. Such a guarantee is valid until the above loans have been fully repaid.

Changes during the year 12.31.2008

Purchases/ Capitalization	Reclassification	Write-downs (-)/ Value recoveries (+)	Amortization	Cost	Reval. Law 72/1983	Allowances for depreciation	Book value
330	48	0	(467)	21,048	465	(18,499)	3,014
13,279	2,132	0	(8,254)	119,822	0	(73,325)	46,497
231	10	0	(566)	8,383	0	(7,128)	1,255
19,692	10,241	0	(6,857)	191,377	1,908	(95,945)	97,340
2,320	107	0	(2,198)	39,892	0	(35,376)	4,516
8,573	(5,758)	0	0	17,906	0	0	17,906
44,425	6,780	0	(18,342)	398,428	2,373	(230,273)	170,528

Equity investments held as non-current financial assets.

	12.31.2007	Changes during the year	12.31.2008
Equity investments in:			
– Unconsolidated subsidiary undertakings:			
· ADR Sviluppo S.r.l. - Unipersonale	100	0	100
	100	0	100
– Associated undertakings:			
· La Piazza di Spagna S.r.l.	49	0	49
· Ligabue Gate Gourmet Roma S.p.A. (insolvent)	0	0	0
	49	0	49
– Other companies:			
· Alinsurance S.r.l.	6	0	6
· Aeroporto di Genova S.p.A.	930	465	1,395
· S.A.CAL. S.p.A.	1,307	0	1,307
· Leonardo Energia - Società Consortile a r.l.	0	1	1
· Consorzio E.T.L.	10	0	10
	2,253	466	2,719
Total	2,402	466	2,868

The increase in “equity investments”, amounting to 466 thousand euros, breaks down as follows:

- 465 thousand euros regarding the subscription by ADR S.p.A., in proportion to its shareholding (15%), to the capital increase of Aeroporto di Genova S.p.A. on January 14, 2008;
- 1,000 euros deriving from subscription of 10% of the share capital of Leonardo Energia - Società consortile a r.l., which was incorporated on March 26, 2008.

For further information regarding such equity investments during 2008, reference should be made to the section “equity investments” in the Management Report on Operations.

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, EIB and BIIS (formerly Banca OPI), has been granted a lien on the Parent Company's shareholdings in the subsidiary undertakings, ADR Tel S.p.A. and ADR Advertising S.p.A.. Moreover, the Parent Company also undertook to establish a lien on the Company's shareholders in the newly incorporated ADR Assistance S.r.l. (in progress).

Such guarantees are valid until the above loans have been fully repaid.

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Receivables due and other items under non-current financial assets.

	12.31.2007	Changes during the year	12.31.2008
Receivables:			
– Due from others:			
· public bodies for licenses	23	0	23
· other	696	(173)	523
Total	719	(173)	546

The reduction in “receivables” classified among non-current financial assets, amounting to 173 thousand euros, is due to payments of 319 thousand euros, partly offset by new receivables of 142 thousand euros and revaluation of the amount due from the tax authorities in relation to the payment of withholding tax on employee severance indemnities (4 thousand euros), as required by Law no. 662/1996.

There are no receivables falling due beyond five years.

Current assets.

Inventory.

	12.31.2007	Changes during the year	12.31.2008
Raw, ancillary and consumable materials	2,817	96	2,913
Finished goods and goods for resale: goods for resale	8,298	44	8,342
Contract work in progress	7,831	2,836	10,667
less accumulated write-downs	0	0	0
	7,831	2,836	10,667
Advances	113	(113)	0
Total	19,059	2,863	21,922

The increase in “inventory” compared with December 31, 2007 primarily derives from “contract work in progress”, which rose by 2,836 thousand euros due to the State-financed portion of the Pier C construction works.

The inventories of “goods for resale” (duty-free and directly managed shops) are substantially in line with the end of 2007 (up 44 thousand euros), despite an 8.3% increase in sales as a result of improved stock management.

Regarding stocks of finished goods and goods for resale, the intense inventories program concerning all categories of

goods at shops managed by ADR S.p.A. at Fiumicino and Ciampino has continued, resulting in a gradual reduction of inventory losses.

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, EIB and BIIS (formerly Banca OPI), has been granted a lien (in the form of a mortgage ranking *pari passu* with other claims) on the raw materials, work in progress, stocks, finished goods, goods for resale and other goods forming part of ADR S.p.A.'s inventory. Such a guarantee is valid until the above loans have been fully repaid.

Current receivables.

	12.31.2007	Changes during the year		12.31.2008
		Increases (+)/ Repayments (-)	Provisions (-)/ Value recoveries (+)	
Due from clients	190,665	5,127	0	195,792
less allowance for doubtful accounts	(32,680)	5,467	(2,580)	(29,793)
allowance for overdue interest	(8,072)	72	(94)	(8,094)
	149,913	10,666	(2,674)	157,905
Due from associated undertakings	530	0	0	530
Due from parent companies	0	48	0	48
Due from tax authorities	2,513	1,018	0	3,531
Deferred tax assets	14,408	10,604	0	25,012
Due from others:				
– Sundry	51,605	(2,385)	0	49,220
– Advances to suppliers for services to be rendered	38	709	0	747
	51,643	(1,676)	0	49,967
Total	219,007	20,660	(2,674)	236,993

“Current receivables”, net of allowances for doubtful accounts, amount to 236,993 thousand euros, representing a net increase of 17,986 thousand euros compared with December 31, 2007. The principal changes are analyzed below.

“Due from clients”, net of allowances for doubtful accounts, amounts to 157,905 thousand euros and includes trade receivables due from clients and amounts due from Public Bodies deriving from financed works and the supply of utilities and services. The increase of 8.0 million euros compared with December 31, 2007 derives from the effects of the special administration of the Alitalia group and, to a lesser extent, increased turnover.

As of December 31, 2008 receivables sold without recourse totaled 3.4 million euros (also 3.4 million euros as of December 31, 2007).

NOTES TO THE FINANCIAL STATEMENTS - ADR GROUP

“Due from associated undertakings”, amounting to 530 thousand euros, includes amounts due to the Parent Company, ADR S.p.A., from the insolvent Ligabue Gate Gourmet Roma S.p.A., classified among preferential liabilities. No movements in such receivables were reported during the period.

“Due from Tax Authorities” increased by 1,018 thousand euros in 2008, primarily due to higher IRAP tax credit (up 539 thousand euros) and VAT tax credit (up 433 thousand euros).

“Deferred tax assets”, totaling 25,012 thousand euros, registered an increase of 10,604 thousand euros with respect to December 31, 2007, primarily due to the reversal of deferred tax assets amounting to 7,468 thousand euros regarding accelerated depreciation, following the decision to align the differences between statutory and tax-related amounts deriving from the execution of off-balance sheet accelerated depreciation via payment of a substitute tax. For further information, reference should be made to the item “income taxes”.

The composition of deferred tax assets and changes during the year are shown in the following table.

	Balance at 12.31.2007 (A)		Increase (B)		Decrease (C)		Change rate previous year (D)	Balance at 12.31.2008 (A+B-C+D)	
	Tax base	Tax	Tax base	Tax	Tax base	Tax		Tax base	Tax
Deferred tax assets:									
– Allowances for risks and charges	18,822	5,782	4,674	1,418	3,101	878	(12)	20,395	6,310
– Accumulated inventory write-downs	459	150	132	43	145	47	0	446	146
– Allowance for doubtful accounts	31,622	8,699	1,535	422	4,457	1,226	0	28,700	7,895
– Provision for personnel	5,676	1,561	2,358	649	5,455	1,500	0	2,579	710
– Accelerated depreciation	1,201	391	0	0	60	19	(1)	1,141	371
– Financial income and expense	0	0	13,180	3,625	0	0	0	13,180	3,625
– Consolidated adjustment	13,790	4,467	3,929	1,273	1,413	458	(13)	16,306	5,269
– Tax losses	0	0	178	49	0	0	0	178	49
– Other	2,816	882	1,059	327	1,685	532	(1)	2,190	676
Total deferred tax assets	74,386	21,932	27,045	7,806	16,316	4,660	(27)	85,115	25,051
Deferred tax liabilities:									
– Dividends	(68)	(19)	(55)	(15)	(68)	(19)	0	(55)	(15)
– Gains	(114)	(37)	0	0	(43)	(13)	0	(71)	(24)
– Advance depreciation	(23,043)	(7,468)	0	0	(23,043)	(7,468)	0	0	0
Total deferred tax liabilities	(23,225)	(7,524)	(55)	(15)	(23,154)	(7,500)	0	(126)	(39)
Total	51,161	14,408	26,990	7,791	(6,838)	(2,840)	(27)	84,989	25,012
For the year posted to Income Statement									
					10,604				

“Amounts due from others: sundry” decreased by 2,385 thousand euros, mainly due to the reduced liquidity deposited in the term current account denominated the “Debt Service Reserve Account” (down 2,314 thousand euros) in accordance with obligations set out in current loan agreements.

The balance of the term current account in the name of the Security Agent for Parent Company ADR S.p.A.’s loans, denominated the “Debt Service Reserve Account”, amounted to 45,416 thousand euros as of December 31, 2008. In accordance with the procedures established in the relevant agreement, ADR S.p.A. has deposited a sum in this account to guarantee repayment of the loans.

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, BEI and BIIS (formerly Banca OPI), has been granted the following liens. Such guarantees are valid until the above loans have been fully repaid:

- a lien (in the form of a mortgage ranking *pari passu* with other claims) on all receivables deriving from the sale of plant, machinery and capital goods and rights constituting ADR S.p.A.’s inventory, as well as other goods and rights subject to liens;
- a lien on all receivables and contracts with clients regarding ADR Tel S.p.A. and ADR Advertising S.p.A. and insurance policies.

Amounts due as of December 31, 2008 (236,993 thousand euros) comprise 157,953 thousand euros of trade receivables, 45,935 thousand euros in the form of financial receivables, and 33,105 thousand euros of other receivables. There are no promissory notes or similar bills.

The following table shows a geographical breakdown of the Group’s trade receivables:

	Italy	Other EU Countries	Rest of Europe	Africa	America	Asia	Total
Clients	151,438	5,009	956	151	227	124	157,905
Parent companies	48	0	0	0	0	0	48
Total	151,486	5,009	956	151	227	124	157,953

There are no receivables falling due beyond five years or receivables subject to exchange rate risk.

Cash on hand and in banks.

	12.31.2007	Changes during the year	12.31.2008
Bank and post office deposits	158,024	(16,548)	141,476
Cash and notes in hand	1,146	(261)	885
Total	159,170	(16,809)	142,361

NOTES TO THE FINANCIAL STATEMENTS - ADR GROUP

The Group's "cash on hand and in banks" decreased by 16,809 thousand euros in 2008, primarily due to Parent Company ADR S.p.A.'s repayment of a portion of medium/long term borrowings, net of the EIB loan, amounting to 19.2 million euros.

Bank deposits include the balance of the account provided for under ADR S.p.A.'s loan agreements, denominated "Recoveries Account". Any liquidity deriving from extraordinary operations is required to be deposited in this account. Consequently, in 2006 the amount collected from the sale of the equity investment in Flightcare Italia S.p.A. (formerly ADR Handling S.p.A.) was deposited in this account, net of related expenses; this liquidity had been allocated to financing ADR's investments. As of December 31, 2008, the balance in the account amounted to 11.1 million euros (12.5 million euros as of December 31, 2007).

As security for the loans governed by agreements with Romulus Finance S.r.l., ADR S.p.A. has granted a syndicate of banks, including EIB and BIIS (formerly Banca OPI), a lien on all the Company's current accounts governed by a specific agreement "Account Bank Agreement". Such a guarantee is valid until the above loans have been fully repaid.

As of December 31, 2008, 48.3 million euros was held in an ADR S.p.A. current account that is not subject to a lien. This amount derives from "free" cash flow generated in the previous years, and may therefore be used for the payment of dividends under ordinary circumstances.

Accrued income and prepaid expenses.

	12.31.2007	Changes during the year	12.31.2008
Prepaid expenses:			
– Service costs	650	(17)	533
– Leased assets	1	0	1
– Payroll costs	19	11	30
– Other operating costs	6	107	113
– Financial charges	3,080	292	3,372
Total	3,756	293	4,049

One of the most significant items is represented by "financial charges" consisting of prepayment installments, not due for the period, of the following premiums:

- 3,254 thousand euros for the monoline insurance paid to AMBAC Assurance UK, which has secured the bonds issued by Romulus Finance S.r.l. that correspond to Facility A;
- 118 thousand euros paid to BIIS, the bank that has secured the loan granted to ADR S.p.A. by the EIB.

Shareholders' equity.

	Share capital	Share premium reserve	Legal reserve	Retained earnings	Net income for the year	Consolidated shareholders' equity	Minority interest	Group and minority interest in consolidated shareholders' equity
Balance as of 12.31.2006	62,310	667,389	12,462	(38,499)	59,986	763,648	1,967	765,615
Allocation of net income 2006				24,469	(59,986)	(35,517)	(1,023)	(36,540)
Distribution of reserve				(14,954)		(14,954)	0	(14,954)
Net income for the year					17,891	17,891	1,027	18,918
Balance as of 12.31.2007	62,310	667,389	12,462	(28,984)	17,891	731,068	1,971	733,039
Allocation of net income 2007				17,891	(17,891)	0	(1,022)	(1,022)
Net (loss) income for the year					(8,271)	(8,271)	605	(7,666)
Balance as of 12.31.2008	62,310	667,389	12,462	(11,093)	(8,271)	722,797	1,554	724,351

The Parent Company's "share capital" amounts to 62,309,801 euros, represented by 62,309,801 shares with a par value of 1 euro each.

On May 7, 2004, pursuant to article 5 of the Parent Company's By-laws, the Board of Directors approved a capital increase in the form of a scrip issue, raising the share capital from 62,224,743 to 62,309,801 euros. Such increase was carried out via the issue of 85,058 ordinary shares with a par value of 1 euro each, and the transfer to share capital of a corresponding sum of 85,058 euros from the "reserve for share issues pursuant to art. 2349 of the Italian Civil Code".

The shares corresponding to this increase in share capital have yet to be issued and allocated.

"Group shareholders' equity" decreased by 8,271 thousand euros compared with December 31, 2007 due to the net loss reported for the year, whilst "minority shareholders' equity" decreased by 417 thousand euros as a result of payment of dividends to minority shareholders, primarily the 1,022 thousand euros paid by ADR Advertising S.p.A., which was partly offset by net income for the year of 605 thousand euros.

The reconciliation of shareholders' equity and net income for the year, as reported in the accounts of the Parent Company, and the related Consolidated Amounts, is shown in the following table:

Reconciliation of net income for the year and shareholders' equity	2008	2007	12.31.2008	12.31.2007
	Net income for the year		Shareholders' equity	
Balances in ADR S.p.A.'s accounts	(7,048)	18,932	759,344	766,392
Effect of consolidation of subsidiary undertakings	(254)	180	3,123	3,377
Gain (elimination) of inter-company profits and other adjustments	(2,583)	(1,939)	(16,112)	(13,529)
Effect of deferred tax assets	802	(94)	5,270	4,468
Merger effect ^(a)	812	812	(28,828)	(29,640)
Balances in consolidated accounts	(8,271)	17,891	722,797	731,068

^(a) Merger data
different from
first consolidation.

Allowances for risks and charges.

	12.31.2007	Changes during the year		12.31.2008
		Provisions	Releases	
Other:				
– Current and potential disputes	22,783	1,522	(1,067)	23,238
– Insurance deductibles	1,292	0	(193)	1,099
– Restructuring	751	0	(751)	0
– Fixed assets to be relinquished	4,811	390	0	5,201
Total	29,637	1,912	(2,011)	29,538

“Allowances for risks and charges”, totaling 29,538 thousand euros, decreased by 99 thousand euros compared with December 31, 2007.

The most important changes are analyzed below:

- the “allowance for current and potential disputes” reports a net increase of 455 thousand euros, due to the combined effect of provisions of 1,522 thousand euros made in order to provide cover for likely potential liabilities and releases carried out in order to settle disputes with customers, contractors and personnel;
- releases from the “allowance for restructuring” amounting to 751 thousand euros were made for personnel leaving Group companies during the period, in implementation of the Group’s restructuring program launched in 2005.

Employee severance indemnities.

Balance as of 12.31.2007	37,843
Changes during the year:	
– Provisions	6,635
– Releases to pay indemnities	(945)
– Releases to pay advances	(1,556)
– Transfers of personnel	51
– Amounts allocated to social security allowances or to the Treasury Fund	(4,734)
– Other	98
Balance as of 12.31.2008	37,392

“Employee severance indemnities” report a net decrease of 451 thousand euros for the period, compared with provisions of 6,635 thousand euros. This primarily reflects releases for indemnities paid and advances, amounting to

2,501 thousand euros, and an amount of 4,734 thousand euros for indemnities accrued during the period paid into pension funds or to the Treasury Fund set up at INPS.

Supplementary pension reform, pursuant to Decree Law no. 252/2005, has been implemented since January 1, 2007. This reform enables the personnel of private companies with more than 50 employees to allocate their accrued employee severance indemnities to a form of supplementary pension fund or to keep them deposited with the company. In the latter case, the company pays employee severance indemnities into a fund set up at INPS, in accordance with the implementing Decree of January 30, 2007, denominated Allowance for employee severance indemnities or Treasury Fund.

Payables.

	12.31.2007	Changes during the year	12.31.2008
Due to banks	250,331	45,985	296,316
Due to other financial institutions	1,279,659	(65,733)	1,213,926
Advances:			
– From clients:			
· from the Ministry of Transport	5,048	0	5,048
· other	4,534	4,029	8,563
	9,582	4,029	13,611
Due to suppliers	137,871	9,770	147,641
Due to associated undertakings	1,003	0	1,003
Due to parent companies	14,995	6,246	21,241
Taxes due	20,711	12,319	33,030
Due to social security agencies	7,036	(763)	6,273
Other payables: sundry creditors	35,884	5,636	41,520
Total	1,757,072	17,489	1,774,561

The Group's "payables" rose by 17,489 thousand euros during the period. The principal reasons for such a change are analyzed below.

"Amounts due to banks", totaling 296,316 thousand euros, include:

– 293,350 thousand euros representing the principal on long-term lines of credit granted to Parent Company, ADR S.p.A., denominated "Term Loan Facility" (170,000 thousand euros), "BOPI Facility" (43,350 thousand euros) and "EIB Term Loan" (80,000 thousand euros);

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- 1,466 thousand euros of amounts due from ADR S.p.A. for interest, commissions and swap differentials accrued during the period but not yet settled;
- 1,500 thousand euros for the short-term line of credit (30 days) granted to the subsidiary undertaking, ADR Advertising S.p.A., by the Banca Popolare Commercio e Industria to meet temporary liquidity requirements.

The increase of 45,985 thousand euros compared with December 31, 2007 derives from the combined effect of the following changes:

- the granting of an 80,000 thousand euros loan called the “EIB Term Loan” on May 27, 2008 by the EIB (European Investment Bank); this loan is secured by BIIS;
- an increase of 400 thousand euros in the line of credit granted to ADR Advertising S.p.A. by Banca Popolare Commercio e Industria;
- early repayment of 21,400 thousand euros of the “Term Loan Facility” on March 20, 2008;
- early repayment of 12,750 thousand euros of the line of credit named the “BOPI Facility”, also on March 20, 2008;
- a reduction of 265 thousand euros in the amounts due as interest, commissions and swap differentials accrued during the period, but not yet settled.

The characteristics of these loans are listed in the following table:

Lender	Facility Loan	Amount (millions of euros)		Interest rate	Repayment	Life	Maturity date
		Granted	Used				
Syndicate of banks	Term Loan Facility	170.00	170.00	floating rate linked EURIBOR + margin	bullet	6 years	feb. 2012
	Revolving Facility	100.00	0.00	floating rate linked EURIBOR + margin	revolving	6 years	feb. 2012
		270.00	170.00				
Banca BIIS	BOPI Facility	43.35	43.35	floating rate linked EURIBOR + margin	after 5 years in six-monthly installments	12 years	mar. 2015
BEI	EIB Term Loan	80.00	80.00	floating rate linked EURIBOR + margin	bullet	10 years	feb. 2018
Total		393.35	293.35				

The long-term line of credit denominated the “Term Loan Facility” and the “Revolving Facility” were granted on September 20, 2005 by a syndicate of banks with the mandated lead arrangers comprising Barclays Capital, Calyon S.A., Mediobanca - Banca di Credito Finanziario S.p.A., Unicredit Banca Mobiliare S.p.A. and WestLB AG.

Regarding the line of credit denominated the “Term Loan Facility”, initially worth 290,000 thousand euros, an

amount of 98,600 thousand euros was repaid on September 20, 2006 and an amount of 21,400 thousand euros was repaid on March 20, 2008 thereby reducing the amount of the loan to 170,000 thousand euros.

On November 21, 2007, at the request of the Parent Company, ADR S.p.A., the line of credit denominated the "Revolving Facility" was reduced from the initial 200,000 thousand euros to 100,000 thousand euros, in line with projected cash flows, resulting in a reduction in the cost of borrowing.

The line of credit denominated the "BOPI Facility" was granted on February 19, 2003 by Banca OPI (as of January 1, 2008 the bank's name was changed to BIIS - Banca Infrastrutture Innovazione e Sviluppo) and guaranteed by CDC IXIS Financial Guaranty Europe. This line of credit, which was initially granted for an amount of 85,000 thousand euros, was reduced to 43,350 thousand euros following advance repayment of an amount of 28,900 thousand euros on September 20, 2006, and of an amount of 12,750 thousand euros on March 20, 2008, corresponding to the installments falling due, according to the terms of the contract, in September 2008, in March and September 2009.

The interest rates applied to the "Term Loan Facility", the "Revolving Facility" and the "BOPI Facility" vary in terms of the level of ADR's rating, whilst the loan granted by the EIB is not affected by the level of the rating.

"Amounts due to other financial institutions" total 1,213,926 thousand euros. The item includes the principal of 1,200,019 thousand euros due from the Group to Romulus Finance S.r.l. and 13,907 thousand euros consisting of interest accrued on the above-mentioned loans and not yet paid.

The decrease of 65,733 thousand euros compared with December 31, 2007 is due to:

- the advanced repayment of 65,000 thousand euros of "Loan B" granted by Romulus Finance S.r.l. on March 20, 2008;
- the decrease of 733 thousand euros in the interest component.

It should be recalled that the loan granted by Romulus Finance in February 2003 arose from the transfer without recourse to Romulus Finance S.r.l. of the amount due to ADR's original lenders for loans taken out in August 2001. Romulus Finance, a vehicle established pursuant to Law no. 130/1999 on securitization and controlled by two Dutch foundations, financed acquisition of the pre-existing bank loan to ADR S.p.A. via the issue of asset-backed bonds amounting to 1,265 million euros, to be listed on the Luxembourg Stock Exchange and subscribed by institutional investors.

After the above-mentioned repayment of "Loan B", the loan from Romulus Finance S.r.l. breaks down into four lines of credit, summarized in the table below. The conditions reflect those of the bonds issued by Romulus Finance S.r.l. to finance the purchase of amounts due to ADR's creditor banks:

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Lender	Facility Loan	Amount (millions of euros)	Interest rate	Repayment	Life	Maturity date
Romulus Finance S.r.l.	A1	500	fixed	bullet	10 years	feb. 2013
	A2	200	floating rate linked EURIBOR + margin	bullet	12 years	feb. 2015
	A3	175	floating rate linked EURIBOR + margin	bullet	12 years	feb. 2015
	A4	325	floating rate linked EURIBOR + margin up to 12.20.2009 and after fixed rate	bullet	20 years	feb. 2023
Total		1,200				

The bonds issued by Romulus Finance regarding Classes A1, A2, A3 and A4 are secured by the monoline insurance company, AMBAC Assurance UK Limited, and consequently have the same rating as AMBAC's (currently Baa1 from Moody's and A with negative outlook from Standard & Poor's).

The level of ADR's rating affects the amount of the premium paid to AMBAC for the surety on the bonds, but not on the interest rate applied to each class of bond.

Hedging policy.

The hedging policy established within the framework of loan agreements with the banks and with Romulus Finance S.r.l. requires that at least 51% of the debt is fixed rate (58.2% at fixed rate as of December 31, 2008). In accordance with this policy, the following Interest Rate Swap agreements were entered into by ADR S.p.A. in 2001, with the aim of hedging the interest rate risk associated with a portion of the loan. Such Interest Rate Swaps – the counterparties for which in February 2003 are Mediobanca - Banca di Credito Finanziario S.p.A., Barclays, UBM (after HVB), Royal Bank of Scotland and Deutsche Bank – are based on a notional capital of 864 million euros and mature on October 2, 2009.

On October 1, 2004, the Parent Company, ADR S.p.A., entered into Interest Rate Swap agreements with a number of the above counterparties (Mediobanca - Banca di Credito Finanziario S.p.A., Barclays and Royal Bank of Scotland). The swaps are based on a total notional capital of 468 million euros up to 2007 and 495 million euros up to 2009. On the basis of the agreements, ADR S.p.A. receives a fixed rate of 3.3% and pays a floating rate capped at 6.0%. This transaction enables ADR S.p.A. to balance its exposure to fixed and floating rates, fixing the maximum risk that may be incurred.

Finally, on May 16, 2006, ADR S.p.A. signed two Interest Rate Collar Forward Start contracts with Barclays and Royal Bank of Scotland, with a notional capital of 120 million euros each, on the basis of which ADR S.p.A. will

receive a floating 3-month Euribor rate and pay a floating 3-month Euribor rate with a cap of 5.0% and a floor of 3.64% from October 2, 2009 until February 20, 2012.

On December 18, 2006 the Interest Rate Swaps with notional capital of 864 million euros entered into in 2001 were renegotiated.

In particular, the fixed rate paid by ADR S.p.A. (3.891%) was realigned to the market rate up to the original date of maturity (2009) following payment of the market value of the related instruments (27.4 million euros). This initiative has made it possible to reduce the average cost of debt by almost one percentage point in the three-year period 2007-2009.

As of December 31, 2008, the fair value of the swap agreements entered into in 2001 and renegotiated in 2006 is a negative 9.4 million euros, whilst the fair value of the swaps entered into in 2004 is a positive 2.9 million euros. The fair value of the above-mentioned collar contracts entered into in May 2006 is a negative 3.9 million euros.

The characteristics of outstanding swaps are listed below (in thousand of euros):

	Notional	Fair value derivates as at 12.31.2008	Purpose of the derivates	Financial risk	Financial debt hedged
IRS of 2001 renegotiated in 2006 (CASH-FLOW HEDGE)	864,000	(9,430)	Hedging	Interest rate	864,000
IRS of 2004 (FAIR VALUE HEDGE)	495,000	2,936	Hedging	Interest rate	495,000
COLLAR FWD START of 2006 (CASH-FLOW HEDGE)	240,000	(3,898)	Hedging	Interest rate	240,000
Total		(10,392)			

The financial liability hedged refers to a portion of "amounts due to other financial institutions" and a portion of "amounts due to banks".

The effects of the Interest Rate Swap agreements on the Income Statement for the period are shown in the Notes on "financial income and expense".

Guarantees.

The bank loans granted to Parent Company, ADR S.p.A., and the loan from Romulus Finance S.r.l. are guaranteed, as described in detail in the individual balance sheet items, by:

- a lien (in the form of a mortgage) on the plant, machinery, capital goods and goods constituting ADR's inventory, as well as any receivables deriving from the sale of such assets;
- a lien on all receivables and contracts with clients, and with ADR Tel S.p.A. and ADR Advertising S.p.A. and insurance policies;

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- a lien on all of ADR S.p.A.’s bank current accounts;
- a lien on ADR’s shareholdings in ADR Tel S.p.A. and ADR Advertising S.p.A.. Moreover, the Parent Company also undertook to establish a lien on the Company’s shareholders in the newly incorporated ADR Assistance S.r.l. (in progress);
- “ADR Deed of Charge” (a lien under British law on loans, hedging agreements and insurance policies governed by British law).

Commitments and covenants.

A large number of contractual regulations govern the management of ADR’s borrowings, partly due to their size, and also because of AMBAC’s requirement to protect the risk of non-compliance and insolvency on the part of ADR, thereby seeking to minimize the actual difference between the maximum rating insured and the rating of the issuer/debtor.

Such regulations include:

- financial assets may only be acquired with the permission of creditors or via a “non-recourse vehicle”, and in any case only using authorized borrowing or liquidity;
- income from the sale of financial assets may be used for investment or, if not used within 12 months of collection, must be used to repay borrowings;
- dividends may only be distributed if specific financial ratios exceed contractually pre-established thresholds, and if no events of default or trigger events have occurred;
- further loans may only be undertaken if the above financial ratios exceed determined thresholds (higher than those required under normal lending conditions) and if the rating awarded to ADR is greater than pre-defined minimum levels;
- if a maturing line of credit is not repaid at least 12 months before the maturity date, any surplus cash flow generated during this period must be allocated on a priority basis (based on defined proportions) to the repayment of borrowing, which is known as a retention regime. However, if determined financial ratios are not met 24 months ahead of maturity, a 24-month retention regime may come into force;
- if the financial ratios are below certain predetermined minimum thresholds, or if the rating is below sub-investment grade levels, or if other specific contractually defined critical situations occur, further restrictive measures relating to cash flow management are set in motion in order to protect creditors from the risk of default by ADR S.p.A..

The principal covenants included in the current loan agreements consist of ratios, defined on the basis of final and forecast data, which measure: (i) the ratio between available cash flow and debt servicing, (ii) the ratio between discounted future cash flows and net debt, and (iii) the ratio between net debt and gross operating income.

These ratios are checked twice per year, on the application dates of March 20 and September 20, by applying the calculation methods of the respective ratios to the relative data at December 31 and June 30.

If these ratios are above specific levels, dividends may be paid and further borrowing undertaken; if on the other hand, the ratios fall below specific thresholds, a trigger event or an event of default may occur.

A trigger event results in a series of operating restrictions for ADR, especially the following:

- a) a cash sweep with an obligation to use all available cash flow on the application dates (March 20 and September 20 each year) (i) to pay interest rate installments; (ii) to repay all ADR's creditors on a *pari passu* basis; and (iii) the Romulus bonds that may not be repaid in advance should be secured via the establishment of specific cash reserves held in specific current accounts serving as a lien for AMBAC (so-called cash collateralization);
- b) an embargo on the payment of dividends and prohibition of the use of such funds to carry out authorized investments;
- c) the right of creditors, via the Security Agent, to obtain any information deemed necessary and to take part in devising a recovery plan and the related implementation schedule by hiring an independent expert to take part in drawing up the business plan containing the measures and remedies designed to restore an acceptable rating. Failure to implement the recovery plan could give AMBAC the right to increase the premium on the guarantee issued on the Romulus bonds;
- d) prohibition of the acquisition of financial assets and of taking out new loans, even if they are designed to repay existing borrowings;
- e) the pledge of all cash amounts due to ADR as security for creditors, with the consequent notification of the debtors concerned.

In September ADR formalized financial ratios based on the results for the first half of 2008. These ratios were above the minimum levels required to maintain the Company's ordinary operating conditions, except for the possibility to increase gross borrowing, which in any case was already prohibited by the trigger event that has affected ADR since the downgrading of its rating by Standard & Poor's on November 30, 2007 (from BBB "stable" to BBB- "stable").

Trigger event.

The downgrading of ADR's rating by Standard & Poor's on November 30, 2007 (from BBB "stable" to BBB- "stable") set off the restrictive condition of a trigger event.

ADR immediately activated all possible initiatives to ensure a rapid return to a satisfactory rating. In this respect, the lenders agreed to waive the cash sweep restriction and the need for the Company to pledge all cash amounts due to it as security, with the consequent notification of the debtors concerned. Waivers were obtained for both the

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application dates of March 20, 2008 and September 20, 2008. The lenders also agreed to refinance the Class B bonds issued by Romulus, resulting in a substantial reduction in annual financial expense, and an extension of the average term to maturity of the loan.

ADR reached agreement with lenders to waive the restriction on the use of liquidity, as described above, and the need to notify debtors that amounts payable to the Company have been pledged as security. Waivers were obtained for both the application dates of March 20, 2008 and September 20, 2008.

Standard & Poor's downgrading of ADR's rating on November 7, 2008 (from BBB- to BB+) had no new effect on the cash sweep, although it did lead to a rise in the cost of borrowing, which according to estimates amounts to an annual increase of around 2.7 million euros.

Without a further waiver, the cash sweep restriction will be applied on the application date of March 20, 2009.

Whilst awaiting confirmation of the waiver regime authorized during the previous year, following the latest downgrading by Standard & Poor's on November 7, 2008 of ADR's rating to "sub-investment grade" (BB+), on December 12, 2008 ADR S.p.A. requested a new waiver from its lenders. The outcome of this request, aimed at extending the pre-existing waiver in respect of the trigger event, is described in the section "subsequent events".

"Amounts due to suppliers" rose by 9,770 thousand euros due to the greater volume of investment carried out compared with 2007 and higher costs for acquiring goods and services.

"Amounts due to parent companies" include trade payables amounting to 10 thousand euros and amounts due to Gemina S.p.A. for tax consolidation totaling 21,231 thousand euros. The increase of 6,246 thousand euros compared with the end of the previous year primarily derives from estimated IRES for the period. For more information, reference should be made to the section "relations with parent companies and other related parties" in the Management Report on Operations.

The item "taxes due", amounting to 33,030 thousand euros, was up 12,319 thousand euros on the previous year. The principal changes include: greater amounts due for substitution tax (2,368 thousand euros) and to tax authorities as municipal surtax on passenger fees (up 10,698 thousand euros), partly offset by a reduction of 916 thousand euros in the amounts due for IRAP.

In this regard, it should be remembered that ADR S.p.A. began charging carriers this surtax from June 1, 2004 at the rate of 1 euro, which was subsequently increased to 2 euros from April 2005, pursuant to Law no. 43 of March

31, 2005. This rate was increased by an additional 50 cents, bringing it up to a total of 2.50 euros, from January 1, 2007, in compliance with the provisions of Law no. 296 of December 27, 2006 (the Finance Act for 2007), and by an additional 2 euros from November 2008, pursuant to Decree Law no. 134/2008, making a total of 4.50 euros. The amount due to tax authorities as municipal surtax on passenger fees totaled 27,248 thousand euros as of December 31, 2008. The increase of 10,698 thousand euros compared with the end of the previous year is primarily due to the above-mentioned 2-euro increase as of November 2008, and the non-collection of amounts due from Alitalia before the airline went into special administration.

“Other payables: sundry creditors” rose by 5,636 thousand euros, primarily due to the effect of the greater amount due for the contribution towards the cost of the fire prevention and fire fighting service (7.9 million euros).

In summary, as of December 31, 2008 total “payables” of 1,774,561 thousand euros include 1,510,242 thousand euros of a financial nature, 162,221 thousand euros of trade payables and 102,098 thousand euros of sundry items.

A breakdown of the Group’s trade payables by geographical area is not provided as it is not significant given the limited amount due to overseas creditors.

Payables secured by collateral on the Group’s assets amount to 1,508,742 thousand euros (as described in the paragraph regarding “amounts due to banks and other financial institutions”).

Payables falling due beyond five years amount to 789,369 thousand euros and regard amounts due to banks totaling 89,350 thousand euros (the loan from Banca BIIS of 9,350 thousand euros and the EIB loan of 80,000 thousand euros) and amounts due to other financial institutions totaling 700,019 thousand euros.

Payables in currency exposed to exchange rate risks total 6 thousand euros and refer to services supplied.

Accrued expenses and deferred income.

	12.31.2007	Changes during the year	12.31.2008
Accrued expenses:			
– Sub-concessions and license fees	2,455	(1,764)	691
– Other services	1,871	2,073	3,944
Total	4,326	309	4,635

Notes to the Consolidated Memorandum Accounts.

General guarantees.

	12.31.2008			12.31.2007		
	Secured receivables	Unsecured receivables	Total	Secured receivables	Unsecured receivables	Total
Sureties:						
– in the interest of third parties	0	111	111	0	111	111
Other:						
– in favor of clients	0	213	213	0	450	450
Total	0	324	324	0	561	561

Commitments on purchases and sales.

	12.31.2008	12.31.2007
Commitments on purchases:		
– Investments:		
· information systems, other	196	322
· electronic equipment	173	705
· maintenance and services	1,954	3,880
· self-financed works	100,407	103,412
Total	102,730	108,319

Regarding “commitments on purchases”, on February 28, 2003 the Parent Company, ADR S.p.A., granted IGPDecaux S.p.A. a put option on its holding in ordinary and preference shares in ADR Advertising S.p.A.. Such option is exercisable from the date of approval of the Financial Statements of ADR Advertising S.p.A. as of December 31, 2004 until December 31, 2011, on the occurrence of specific conditions. As the exercise price is equal to the pro rata book value of shareholders’ equity, it may not be quantified.

Commitments on purchases also include ADR’s commitment, as an operator of airport infrastructures, to draw up and implement noise reduction and abatement plans, as required by noise pollution legislation (Law no. 477/1995) and the Ministerial Decree of November 29, 2000.

To this end ADR S.p.A. is currently assessing whether or not the relevant limits have been exceeded, and if so will proceed with preparation of the necessary noise reduction and abatement plans.

Such commitments are difficult to quantify and are, by necessity, be determined on the basis of interpretations, given

that there are no specific indications of the activities to be considered as "maintenance" and "extension" of infrastructures, which form the basis for calculation pursuant to Law no. 447/1995 (the framework Law on noise pollution). In view of the above, ADR S.p.A., based on available estimates at the balance sheet date, judges its overall commitment to be no more than approximately 18 million euros. This sum is thus conditional on subsequent events and on the effective program of works to be carried out. The Company believes that future works will qualify as a capital expenditure.

In the Management Report on Operations, the measures that the Parent Company, ADR S.p.A., has implemented, with a view to alleviating the acoustic impact generated by aircraft in the vicinity of the airport, are listed in the section on "environmental protection".

The agreements on the sale of the equity investment in Flightcare Italia S.p.A. (formerly ADR Handling S.p.A.), entered into on November 3, 2006, provide for a price adjustment of up to 12.5 million euros. Of this, the amount deemed most probable to arise was charged to the Income Statement under extraordinary items in the years 2006-2008 with a contra-entry in allowances for risks and charges totaling around 3.4 million euros as of December 31, 2008. The remaining amount, currently deemed unlikely to be incurred, will be re-assessed in future years.

Finally, a series of Interest Rate Swap contracts aimed at hedging interest rate risk on current loans have been entered into. For further information reference should be made to the Notes to "payables".

Other memorandum accounts.

	12.31.2008	12.31.2007
General guarantees received:		
– Sureties:		
· received from suppliers	63,600	47,360
· received from clients	62,676	56,840
	126,276	104,200
Third party assets in free loan, deposited in custody, leased or similar:		
– Leased assets	48	49
– CAA - plant and equipment at Fiumicino	119,812	119,812
– CAA - plant and equipment at Ciampino	29,293	29,293
– Works carried out on behalf of the State	668,060	668,060
	817,213	817,214
Total	943,489	921,414

"Third party assets in free loan, deposited in custody, leased or similar" include the value of assets received under concession at Fiumicino and Ciampino airports and the value of the work financed, completed and invoiced to the Civil Aviation Authority.

Notes to the Consolidated Income Statement.

Total revenues.

Revenues.

	2008	2007	Change
REVENUES FROM SALES			
Non-aviation activities:			
– Duty free and duty paid	82,842	76,507	6,335
– Other	4,198	3,382	816
	87,040	79,889	7,151
REVENUES FROM SERVICES			
Aviation activities:			
– Fees	165,313	155,873	9,440
– Handling	0	16,858	(16,858)
– Centralized infrastructures	36,450	35,002	1,448
– Security	63,081	64,512	(1,431)
– Other	24,575	19,019	5,556
	289,419	291,264	(1,845)
Non-aviation activities:			
– Sub-concessions and utilities	102,600	96,894	5,706
– Car parks	30,009	30,471	(462)
– Advertising	26,048	27,491	(1,443)
– Refreshments	8,572	9,031	(459)
– Other	23,512	21,558	1,954
	190,741	185,445	5,296
	480,160	476,709	3,451
REVENUES FROM CONTRACT WORK			
	0	0	0
Total revenues from sales and services	567,200	556,598	10,602
CHANGES IN CONTRACT WORK IN PROGRESS	2,837	18	2,819
CONTRIBUTIONS AND GRANTS	95	0	95
Total revenues	570,132	556,616	13,516

“Revenues” total 570,132 thousand euros. Of these, 50.8% derived from “aviation activities” carried out by the Group (52.3% in 2007) and 49.2% were generated by “non-aviation activities” (47.7% in 2007).

“Revenues from sales” amounted to 87,040 thousand euros, up 9.0% on 2007. This change was due to the increased turnover of directly managed shops, linked to the positive trend in traffic.

“Revenues from services” totaled 480,160 thousand euros, up 0.7% on 2007.

Other information.

It is important to note that the type of activity carried out by the Group does not permit a breakdown of the various areas of activity into fully independent segments in relation to markets and customers. The “traffic” element currently affects all the Group’s activities.

However, it is possible to identify segments on the basis of the type of product or service offered and the production process involved. Information regarding the resulting segments has been extracted directly from the Group’s accounts.

The following table provides information relating to the principal areas of activity identified:

- Airport fees: paid in return for use of airport infrastructure;
- Handling: including handling contracts and supplementary services⁽¹⁾;
- Centralized infrastructures;
- Non-aviation activities, consisting of:
 - sub-concessions: including fees paid by sub-concessionaires operating on airport grounds, in addition to utilities;
 - direct sales: including revenues from directly operated duty free and/or duty paid outlets.

⁽¹⁾ On December 31, 2007 the ADR Group transferred management of this business to the subsidiary undertaking, *Cargo Merci Fiumicino S.r.l.*, which was sold to Argol S.p.A. on the same date.

Finally, the category, “other activities”, includes the sale of advertising space, the management of car parks and refreshment facilities, design, security, left luggage, assistance services to passengers with reduced mobility, and contract work on behalf of the State, etc.

The following table shows a breakdown of revenues from the segments described. It should be noted, moreover, that the revenues earned by each segment relate entirely to third parties and do not include inter-segment transactions.

Revenues	Fees	Handling	Centralized infrastructures	Non-aviation activities		Other activities	Total
				Sub-concessions	Direct sales		
2008	165,313	0	36,450	102,600	87,040	178,729	570,132
2007	155,873	16,858	35,002	96,894	79,889	172,100	556,616
Change	9,440	(16,858)	1,448	5,706	7,151	6,629	13,516
Change %	6.1%	(100.0%)	4.1%	5.9%	9.0%	3.9%	2.4%

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Total revenues can be broken down into two macro-areas:

- “Aviation” (including fees, handling, management of centralized infrastructures, security services and left luggage) amounting to 289,419 thousand euros, compared with 291,264 thousand euros in 2007 (down 0.6%);
- “Non-aviation” (including sub-concessions, direct sales, the management of advertising space and car parks, refreshments, design and contract work on behalf of the State) amounting to 280,713 thousand euros, compared with 265,352 thousand euros in 2007 (up 5.8%).

A geographical breakdown of revenues would not be significant given that both airports managed by the Group are located within the same Country.

Other income and revenues: other.

	2008	2007
Revenue grants	95	0
Gains on disposals	85	93
Other:		
– Releases:		
– release from allowance for overdue interest	62	8
– release from other allowances	284	0
– Expense recoveries	909	692
– Recoveries of personnel expenses	162	163
– Other revenues	4,662	5,132
	6,079	5,995
Total	6,259	6,088

“Other revenues”, amounting to 4,662 thousand euros, includes the effects of updated valuations of costs and revenues, formerly estimated at the end of the previous year.

Operating costs.

Amortization, depreciation and write-downs.

“Amortization and depreciation” in 2008 amounted to 104,852 thousand euros (98,070 thousand euros in 2007), including amortization of intangible fixed assets of 86,510 thousand euros (82,533 thousand euros in 2007) and

depreciation of tangible fixed assets of 18,342 thousand euros (15,537 thousand euros in 2007). Amortization of intangible fixed assets includes the charge for amortization of the concession, amounting to 49,284 thousand euros.

Further details are provided in the Note to "fixed assets".

"Provisions for doubtful accounts" totaled 2,580 thousand euros (5,524 thousand euros in 2007) and reflect an updated assessment of the recoverability of the Group's receivables.

Provisions for risks and other charges.

The item "provisions for risks" breaks down as follows:

	2008	2007
Current and potential disputes	192	7,058
Insurance deductibles	0	73
Total	192	7,131

"Other provisions", totaling 390 thousand euros, regard provisions for fixed assets to be relinquished.

Further information is provided in the Note to "allowances for risks and charges".

It should be borne in mind that provisions to the Income Statement are made following determination of potential liabilities not absorbed by any surplus provisions deriving from updated assessments of the risks to which the Group is exposed.

Other operating costs.

	2008	2007
Losses on disposals	0	40
Concession fees	15	16
Other	50,099	6,245
Total	50,114	6,301

The item "other", amounting to 50,099 thousand euros, primarily comprises:

– 1,029 thousand euros for membership fees (1,034 thousand euros in 2007);

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- 3,111 thousand euros for indirect taxes and duties (2,801 thousand euros in 2007), including 1,311 thousand euros for local property taxes (ICI);
- 1,991 thousand euros for updated valuations of costs and revenues recognized in the 2007 Financial Statements (2,200 thousand euros in 2007);
- losses totaling 42,397 thousand euros on amounts due from Alitalia group companies. Amounts due to the ADR Group from Alitalia group companies before they went into special administration were reported as losses, less the amounts due for the passenger surtax (which is offset by corresponding taxes due) and receivables relating to fees covered by specific guarantees issued in favor of ADR S.p.A., net of provisions made for doubtful accounts in previous years.

Financial income and expense.

Other financial income.

	2008	2007
Interest and commissions on long-term receivables:		
– Other	4	13
Other:		
– Interest on overdue current receivables:		
· clients	137	570
– Interest and commissions received from other companies:		
· interest from banks	7,827	7,738
· interest from clients	65	178
· other	8,429	2,757
	16,458	11,243
Total	16,462	11,256

The item “interest from banks”, totaling 7,827 thousand euros, rose by 89 thousand euros compared with 2007, despite the reduction in average liquidity held during the year, due to rising interest rates throughout 2008, which fell back at the end of the year.

The item “other” essentially derives (8,385 thousand euros) from the positive differential paid to ADR S.p.A. by

counterparties with whom the Company has entered into fixed rate hedges (3.891%). This differential is up on 2007 (2,697 thousand euros), in line with the above-mentioned rise in floating interest rates.

Interest expense and other financial charges.

	2008	2007
Interest and commissions due to others and sundry charges:		
– Interest and commissions paid to banks	15,486	12,535
– Interest and commissions paid to other financial institutions	74,178	72,204
– Provisions for overdue interest on doubtful accounts	95	143
– Other	8,412	5,030
Total	98,171	89,912

“Interest and commissions paid to banks” and “interest and commissions paid to other financial institutions” rose by 2,951 thousand euros and 1,974 thousand euros, respectively, due to raising of floating interest rates, partly mitigated by the reduced exposure deriving from the partial repayments of loans amounting to 99.2 million euros made in March 2008, which were refinanced by an amount of 80 million euros in June 2008.

The item “other” primarily comprises (8,118 thousand euros) the negative differential paid by ADR S.p.A. to counterparties with whom the Company has entered into floating rate hedges. This differential is up 3,356 thousand euros on 2007, due to the above-mentioned raising of floating interest rates.

Foreign exchange gains/(losses).

	2008	2007
Foreign exchange gains	57	114
Foreign exchange losses	7	15
Total	50	99

Extraordinary income and expense.

Income.

“Extraordinary income” in 2008 totaled 661 thousand euros and breaks down as follows:

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	2008	2007
Gains on disposals	0	1,384
Other:		
– Income and recovery of expenses relating to previous years deriving from:		
· total revenues	60	0
· operating costs	71	53
· payroll costs	0	8
· financial income and expense	0	486
· taxes relating to previous years	528	48
· reversal of liabilities	2	22
	661	617
Total	661	2,001

In 2007 item “gains on disposals”, amounting to 1,384 thousand euros, regards the cargo handling business transferred to the subsidiary undertaking, Cargo Merci Fiumicino S.r.l., which was sold to Argol S.p.A. on the same date. The related costs were classified under “extraordinary expense”.

Expense.

In 2008 “extraordinary expense” amounted to 5,314 thousand euros and breaks down as follows:

	2008	2007
Taxes relating to previous years	4	28
Other:		
– Extraordinary expense derived from:		
· operating costs	745	300
· payroll costs	19	0
· other operating costs	0	5
· financial charges	0	13
· agreed settlements	0	182
· exceptional asset write-downs	67	609
	831	1,109
– Other extraordinary expense:		
· payments due for lost cargo	54	59
· fines	117	67
· antitrust penalties	1,878	46
· compensation paid to third parties	6	37
· costs relating to extraordinary operations	2,424	1,080
	4,479	1,289
	5,310	2,398
Total	5,314	2,426

The item "Antitrust penalties" includes:

- 1,668 thousand euros for the penalty imposed by the Antitrust Authority, with a ruling on November 3, 2008, regarding the procedure relating to certain airport fees; ADR S.p.A. has nevertheless decided to lodge an appeal;
- 210 thousand euros for the penalty imposed by the Antitrust Authority, with a ruling on November 6, 2008, regarding advertising messages displayed at ADR S.p.A. retail outlets; the Company paid this fine in December 2008.

The item "costs relating to extraordinary operations", in 2008, includes adjustments of 1.3 million euros to the selling price of Flightcare Italia S.p.A. (formerly ADR Handling S.p.A.) sold in 2006, which were deemed likely (see the note to the Memorandum Accounts), and costs of 1.1 million euros incurred by ADR S.p.A. for preliminary activities regarding a project to review direct commitment in one of the key business areas, which has been withdrawn for the time being.

Income taxes.

This item reports the estimated expense for "current taxes" for the year totaling 28,299 thousand euros. "Deferred tax assets" of 10,604 thousand euros have also been recognized.

	2008	2007
Current taxes:		
– IRES	338	804
– Tax consolidation expense	11,020	27,454
– IRAP	13,556	14,656
– Substitute tax	3,385	0
	28,299	42,914
Deferred tax (assets) liabilities:		
– Deferred tax assets	(3,119)	3,200
– Deferred tax liabilities	(7,485)	331
	(10,604)	3,531
Total	17,695	46,445

It should be remembered that, due to the existence of the related prerequisites, ADR S.p.A. and the other Group Companies (ADR Engineering S.p.A. - Unipersonale, ADR Tel S.p.A. and ADR Sviluppo S.r.l. - Unipersonale) along with the Consolidating Company, Gemina S.p.A., opted to adhere to the tax consolidation regime introduced by the Tremonti Reform for the three-year period 2007-2009.

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As regards deferred taxation, it was decided to continue posting the assets and allowances that generated temporary differences in the individual Companies' Financial Statements.

Pursuant to the above tax legislation, against the taxable income transferred by the Consolidated Companies, ADR S.p.A., ADR Engineering S.p.A. and ADR Tel S.p.A., to Gemina S.p.A., tax consolidation expenses amounting to 10,376 thousand euros, 313 thousand euros and 331 thousand euros, respectively, making a total of 11,020 thousand euros, have been recorded.

The item "current taxes - IRES" refers exclusively to the subsidiary undertaking, ADR Advertising S.p.A., which does not take part in the tax consolidation regime.

ADR S.p.A. and ADR Tel S.p.A. exercised the option provided for by the new regulations introduced by the 2008 Finance Act to pay a substitute tax for direct taxes (IRES and IRAP) in order to align the differences between statutory and tax-related amounts deriving from the execution of off-balance sheet accelerated depreciation.

Therefore, in 2008 "substitute tax" amounting to 3,385 thousand euros was recognized in the Income Statement, including 3,377 thousand euros regarding ADR S.p.A. and 8 thousand euros regarding ADR Tel S.p.A.. Consequently, deferred tax assets amounting to 7,468 thousand euros allocated during previous years were reversed.

In particular, IRES, accounting for 113.3%⁽²⁾ of pre-tax income, is higher than the expected rate of 27.5%. Reconciliation of the expected and effective rates is provided in the table below.

	2008	2007
Pre-tax income	10,029	65,362
Expected rate (IRES)	27.5%	33.0%
Expected taxation	2,758	21,569
Effect of increases (decreases) in the ordinary rate:		
– Tax-exempt income (gains on disposals)	(14)	(388)
– Income from overseas companies	(27)	(28)
– Non-deductible costs	6,282	7,111
– Other permanent differences	(120)	10
– Temporary differences (increases)	6,341	7,086
– Temporary differences (decreases)	(3,862)	(7,102)
Expense deriving from tax consolidation + IRES	11,358	28,258
Effective rate	113.3%	43.23%

⁽²⁾ The tax rate for IRES on pre-tax income was calculated with reference to the items "IRES" and "expense deriving from tax consolidation".

For further information on the calculation of deferred tax assets see the item "deferred tax assets" in the section on "receivables".

Other information.

Headcount.

The following table shows the average number of employees of Companies consolidated on a line-by-line basis by category:

Category	2008	2007	Change
Management	60.1	57.8	2.3
Administrative staff	216.0	200.1	15.9
White-collar	1,531.2	1,471.8	59.4
Blue-collar	519.9	572.7	(52.8)
Total	2,327.2	2,302.4	24.8

The following table also shows the average number of employees by Company:

Company	2008	2007	Change
ADR S.p.A.	2,143.9	2,234.1	(90.2)
ADR Engineering S.p.A. - Unipersonale	46.9	38.0	8.9
ADR Tel S.p.A.	17.7	20.1	(2.4)
ADR Advertising S.p.A.	10.7	10.2	0.5
ADR Assistance S.r.l. - Unipersonale	108.0	0.0	108.0
Total	2,327.2	2,302.4	24.8

It should be pointed out that the Group's average headcount in 2008 took account of the subsidiary undertaking, ADR Assistance S.r.l. - Unipersonale, which started operating in July.

Remuneration of Directors and Statutory Auditors.

The following table shows the remuneration paid to Directors and Statutory Auditors (cumulatively for each category):

Category	Remuneration (€/000)
Directors	116
Directors with positions required by Legislative Decree no. 231/2001	536
Statutory Auditors	288
Total	940

Litigation.

Tax litigation.

– In 1987 a general tax audit of the Parent Company's accounts from January 1, 1985 to February 18, 1987 was carried out, focusing in addition on certain aspects relating to previous years.

Despite the fact that the auditors found no evidence of irregular accounting practices or violations of statutory regulations, including misdemeanors punishable by fine in compliance with Law no. 516 of August 7, 1982, ADR S.p.A. was notified of certain irregularities regarding both direct and sales tax for the years between 1982 and 1987. The Parent Company appealed the Tax Authorities' interpretation before the competent Tax Commissions.

During 2002, the Revenue Office appealed the sentence issued by the Regional Tax Commission for Rome – section no. 43 – before the Supreme Court. Such sentence had turned down the appeal against the sentence of the Tax Commission for the Province of Rome, dated April 9, 1999, which had accepted the grounds for ADR S.p.A.'s appeal against the allegations of income tax violations regarding the years 1985 and 1986.

On July 10, 2002 the Tax Authorities appealed to the Supreme Court, and the Company responded by depositing its counter-evidence with the Court. At a hearing to discuss the matter on November 7, 2007, the Supreme Court accepted the appeal and referred the case to a different department of the Regional Tax Commission.

Thus far the outcomes of the hearings conducted by the various Tax Commissions have been in ADR S.p.A.'s favor, confirming the legal interpretation adopted and a positive outcome for the Company.

– On November 3, 2006 Tax Office of Rome (UTF) initiated an audit of the Company's accounts regarding taxation of the consumption of electricity.

In its Report dated February 23, 2007, the Tax Office (UTF) informed the Company that it "intended to recover

the amounts relating to the consumption tax and related local surtaxes on electricity sold to third parties for the years between 2002 and 2005, in that, in the Office's opinion, the said amounts were not duly paid". In this regard, the Office specifies that "it is necessary to know, for each of the above years, the electricity suppliers that in the role of withholding agents applied the exemptions in question, as well as the list of sub-concessionaires that were supplied electricity with exemption and the related amounts invoiced, even if for the purposes of reimbursement".

The Tax Office (UTF) formalized the request for data and information regarding the supply of electricity for the above period. ADR replied in a letter dated June 1, 2007, reiterating that, on the basis of the legal framework governing the Company's activities, the electricity obligatorily supplied to airport premises and infrastructures utilized by other entities cannot be considered as energy "acquired by the company and sold, subject to reimbursement of expenses, to third parties".

Between July 3 and 13, 2007, the Tax Office carried out additional audits aimed at "carrying out technical checks on the equipment and on the means of distribution and consumption of electricity on the part of ADR, in order to identify and separate the consumption subject to the tax exemption in accordance with art. 52 of Consolidated Act no. 504/1995 for the tax period January 1, 2002 – May 31, 2007".

Following the audits, the Tax Office issued 15 demands for payment of a total of 4.4 million euros, regarding failure to pay the tax on electricity consumption and the related surtax for the period 2002-2006. This amount includes interest expense, penalties for late payment and notification expenses.

Generally speaking, the disputes relate to the alleged sale to third parties of the electricity acquired by ADR, as well as the refusal to recognize the favorable terms applied in accordance with art. 52 of the Consolidated Customs Act to entities qualifying for inclusion in the category "industrial operators".

Along with the demands for payment, there were 9 notifications of administrative irregularities, amounting to a total of 1.5 million euros for 2002, concerning the sanctions imposed in relation to the failed payment of the above taxes.

Backed up by the opinion of its tax experts, ADR S.p.A. deems it highly likely that the legitimacy of its behavior will be recognized, and has therefore appealed the demands in question before Rome's Provincial Tax Commission.

At a hearing on March 10, 2008, Rome's Provincial Tax Commission granted the first 9 appeals lodged.

- On December 27, 2006, the Municipality of Fiumicino notified ADR S.p.A. of its failure to declare and pay local property tax (ICI) for 2001 regarding Rome Airport's Hilton Hotel.

On December 28, 2007 the Municipality of Fiumicino notified ADR S.p.A. of a tax assessment for 2002 regarding the same building previously assessed for 2001.

The Company, considering that there are valid arguments in favor of its non-liability to pay this tax, has appealed against these tax assessments to the Provincial Tax Commission of Rome.

- On August 16, 2007, the Rome II Customs District Office notified ADR S.p.A. of reported irregularities in the

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sales carried out at its duty free shops from January 1, 1993 to January 31, 1998. The findings essentially regard sales made to passengers traveling within the EU that exceeded duty free allowances in terms of amount and value. On December 18, 2007, the same Customs District Office ordered payment of sums regarding VAT, excise duties and tobacco duties, as a result of the findings set out in the assessment report. The total amount of taxes and interest charged adds up to around 22.2 million euros.

Backed up by the opinion of its tax experts, ADR S.p.A. deems it highly likely that the legitimacy of its behavior will be recognized, and has therefore appealed this demand for payment before the Provincial Tax Commission.

– On January 22, 2008 the Tax Authorities began carrying out a general tax assessment of the subsidiary, ADR Tel S.p.A., in order to check compliance with tax regulations regarding IRES, IRAP and VAT for 2005.

On February 18, 2008, the tax inspectors formally notified the Company that certain declared costs, totaling 394 thousand euros, were non-deductible. The Company reserved its right to formulate any further considerations, comments or exceptions regarding said findings, as well as to assert its arguments before all the competent administrative and jurisdictional authorities.

On July 25, 2008 the Company submitted a statement to the relevant Tax Office containing its comments and a request that the findings of the audit be dismissed.

Administrative, civil and labor litigation.

Administrative, civil and labor litigation is followed by the Group through its internal legal department which has provided, for the preparation of the Consolidated Accounts as of and for the period ended December 31, 2008, a complete and exhaustive breakdown of the different civil, administrative and arbitration proceedings outstanding as of that date.

As regards litigation as a whole, the Group carried out a valuation of the risk of negative outcomes leading to the creation of a specific allowance under “allowances for risks and charges” to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. The disputes for which a negative outcome was merely possible, given the different legal interpretations, were not the object of provisions in accordance with the principles and procedures governing the preparation of financial statements. Furthermore, there are a limited number of civil proceedings underway, for which no provisions were made, as the impact of any negative outcome, while negligible, could not be measured.

Significant disputes are summarized below:

– With regard to relations with Public Bodies, subsequent to Supreme Court sentence no. 15023/2001, which, on the one hand, established that Public Bodies should have rent-free access to the premises needed to carry out their

legally required duties regarding aircraft, passenger and cargo movements, whilst, on the other hand, requiring such Bodies to pay for the services and utilities relating to said premises, ADR applied to the Ordinary Court for injunctions allowing it to recover receivables due from the various Ministries. The latter have opposed such injunctions, not questioning that payment is due for use of services, but challenging the determination of amounts and the methods of calculation. All of the judgments were made in first instance, and in all cases the Civil Court rejected the Ministries' opposition. The time limits in which to appeal two of the judgments are expiring, and for the other two the sentences in first instance have become final given that no appeals have been lodged.

- On May 26, 1999, ADR S.p.A. appealed Ministry of Finance Decree no. 86, dated March 5, 1999, before the Lazio Regional Administrative Court. The Decree establishes the license fees to be paid by airport operators for the years prior to 1997. Judgment is still pending.

A similar action brought by ADR S.p.A. before the Civil Court of Rome, with the aim of ascertaining that the Company is not required to pay any back-dated fees to the Ministry of Transport for the years prior to 1997, ended with the issue of sentence no. 5283/2004. This sentence, which upheld ADR S.p.A.'s position, declared that the Company has no obligation to pay the Government license fees for the years prior to 1997 in application of the convention of June 26, 1974.

- In a Resolution of September 20, 2000, the Antitrust Authority closed the investigation of ADR S.p.A., launched during 1999, finding that the Company had not abused its dominant position either with respect to the fees charged for ground handling services, or with regard to self-handling. The Authority did, however, find anti-competitive practices in relation to Aviation Services (Meridiana Group), although no fine was inflicted. The Company has appealed the latter finding before the Lazio Regional Administrative Court, but the date for the hearing has yet to be set.
- Alitalia and Alitalia Airport have appealed to the Lazio Regional Administrative Court against the Italian Civil Aviation Authority and the Director of Fiumicino Airport and against ADR S.p.A. and ADR Handling S.p.A. as interested parties. The appellants have requested the cancellation, subject to suspension, of both the Aviation Authority's provisions of September 26, 2000, by which the Authority defined the centralized infrastructure at Fiumicino Airport, including the cargo storage plant, and the act of March 29, 2001, by which the Director of Rome Fiumicino Airport ordered the appellants to "cease, with immediate effect, all activities regarding cargo handling, in relation to both services subject to limits and those for which it might have been necessary to use Alitalia's cargo plant". An announcement of the date of the relevant hearing is awaited, given that the appellants have withdrawn their request for a suspension.
- The Ministerial Decree of November 29, 2000 requires the operators of public transport services and relative infrastructure to draw up action plans for the reduction and abatement of noise, and to make provisions in line with forecast penalties if such limits should be exceeded. The legislation has been independently appealed by all airport operators to the Council of State, with the aim of obtaining an annulment of Lazio Regional

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Administrative Court's sentence no. 3382/2002. Sentence no. 5822/2004 of September 7, 2004 partially rejected the appeals brought by the airport operators. The consequences of this judgment are summarized below.

The appeal judge, citing grounds that are partially different from those on which the appealed sentence was based, has decided that airport operators have an obligation to reduce noise pollution and thus prepare noise abatement action plans under two conditions:

- identification of the boundaries of the areas covered by the Ministerial Decree of October 31, 1997 (see the section of the Management Report on Operations dealing with "environmental protection: noise abatement");
- verification, according to a precise schedule, of instances when noise pollution limits are exceeded outside the areas covered by the regulations, as established by the Prime Ministerial Decree of November 9, 1997, with reference to be made to the limits established in municipal zoning bylaws or, in their absence, by art. 6, paragraph 1 of the Prime Ministerial Decree of March 1, 1991.

Within the areas covered by the regulations, on the other hand, emission limits (as defined by art. 3, paragraph 3 of the Prime Ministerial Decree of November 14, 1997) are only applicable "for all noise sources other than airport infrastructures". The limits established by the Ministerial Decree of October 31, 1997 remain in force. These limits "provide for three areas (zones A, B and C) with various levels of LVA (the indicator used to measure airport noise emissions and different from the "Noise equivalent level" used to establish the levels applied in the Prime Ministerial Decree of November 14, 1997).

The obligation to make financial provisions to cover the cost of adopting noise reduction and abatement measures, regardless of whether or not the above limits have been exceeded, derives from Framework Law no. 447/1995 (art. 10, paragraph 5) and not the Ministerial Decree to which the appeal judge's sentence refers, as the latter is merely a repetition of the legal provisions referred to.

The Ministry of the Environment "assumes that the obligation to make provisions is valid regardless of whether or not the noise emission limits have been exceeded" (thus as of the entry into force of Law no. 447/1995); at the same time "all issues regarding the reasonableness of such obligation, even where limits have not been exceeded, are beyond the scope of this action, by which the appellants have appealed a regulation that merely requires communication of the provisions made".

The above sentence, moreover, does not exclude the possibility that the issue of "the reasonableness" (or otherwise) of the above regulation establishing the obligation to make provisions may be appealed by airport operators before the relevant courts. A description of the relevant accounting treatment is provided in the Notes to the "Memorandum Accounts".

- In 2003 ADR S.p.A. lodged an appeal with the Lazio Regional Administrative Court in which it contested the request by the Antitrust Authority of May 12, 2003 to pay a sum of 1.2 million euros, equivalent to thirteen six-monthly "surcharges" on penalties of 0.9 million euros, imposed on ADR S.p.A. in 1993 following a dispute about handling.

The appealed letter follows payment by ADR S.p.A. of an amount corresponding to only five six-monthly surcharges (0.5 million euros, as well as the original penalty) rather than the total of eighteen six-monthly surcharges requested by the Authority.

In ADR's opinion, the surcharges are not due for the period in which the Antitrust Authority's penalty was "suspended" following acceptance by the Lazio Regional Administrative Court of ADR's request for a suspension in 1993 (as part of the appeal in which ADR S.p.A. contested the Antitrust Authority ruling), and until the sentence handed down by the Court in July 2000.

With sentence no. 198/2004, handed down on May 6, 2004, the Lazio Regional Administrative Court accepted ADR S.p.A.'s appeal and, in particular: 1) annulled the disputed act (the letter from the Antitrust Authority dated May 12, 2003 in which the Authority laid claim to a sum of 1.7 million euros rather than 0.5 million euros; 2) ruled that ADR S.p.A. was not liable for payment of the surcharge stipulated in said act; and 3) ordered payment of legal interest to ADR for the period of the dispute (thirteen six-month periods, unless a different interpretation of the letter containing the grounds for the sentence emerges).

In October 2004 the Antitrust Authority appealed the Lazio Regional Administrative Court sentence before the Council of State. The date of the hearing has yet to be announced.

- In September 2003 ADR S.p.A. issued notice of appeal to Lazio Regional Administrative Court against Ministerial Decree 14/T of March 14, 2003 (published in the Official Gazette of June 3, 2003) containing provisions regarding the payment of fees for the 100% screening of hold baggage, as interpreted, in relation to the date from which such fees are to be applicable, in Civil Aviation Authority letters dated June 3, 2003 and June 11, 2003. The main reasons for the appeal are: (a) the contradictory nature of the two letters from the Civil Aviation Authority; and (b) the lack of any provision regarding collection of the fees prior to the implementation of the Ministerial Decree. In fact, pursuant to local airport authority ordinance no. 14/2002, as interpreted by the local airport authority's letter of January 9, 2003, ADR S.p.A. was obliged, as of February 1, 2003, to carry out 100% screening of hold baggage with no possibility of charging fees for the service. Such fees were belatedly determined by the Ministerial Decree published in the Official Gazette on June 3, 2003. The appeal aims, among other things, to recover the fees due for the period between the date the Decree became valid (June 3, 2003) and the date authorized by the Civil Aviation Authority in a separate letter (June 26, 2003).
- In 2003 ADR S.p.A. lodged an appeal with Lazio Regional Administrative Court against the Executive Decree of June 30, 2003 (definition of airport license fees for 2003) published in the Official Gazette on July 7, 2003, as amended in the notice published in the Official Gazette on September 6, 2003. This Decree established methods different from those previously applied for calculating annual fees due from, among others, global airport operators pursuant to special laws. Such methods of calculation are deemed to be illegitimate as they introduce an element of "adjustment" to the resulting figures regarding the "earnings" that passengers produce in relation to the airport. In a parallel judgment in Civil Court, on July 12, 2007 ADR S.p.A. was notified of the purview of sentence no.

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12189 of June 13, 2007 with which the Court of Rome, accepting ADR's request, "following misapplication of the executive decree issued by the director of the State Property office on June 30, 2003", declared "ADR S.p.A. did not owe the Italian Civil Aviation Authority any amounts greater than the license fees due for the years 2003, 2004 and 2005 calculated in conformity with Law no. 662/1996, in application of the calculation criteria set forth in the Ministerial Decree dated December 12, 1998".

On June 16, 2008 the State Property office lodged an appeal against this sentence. At a hearing on December 20, 2008 the case was adjourned until October 12, 2011 for final judgment.

- With regard to the preparatory phase for the Planning Agreement 2005-2009, in November 2005 ADR S.p.A. appealed to Lazio Regional Administrative Court for an annulment of the decisions and considerations contained in the document issued by the Ministry of Infrastructure and Transport and the Ministry of the Economy on September 22, 2005, in which ADR is substantially denied the right to include any component of the purchase cost of the airport management concession for Fiumicino and Ciampino in the regulatory asset base, to be used in determining the airport fees it will charge. The appeal also includes a claim for damages from the Ministries concerned, in view of the unwarranted delay the above document has caused in finalizing the Planning Agreement provided for in point 5 of the regulatory framework annexed to CIPE (Interdepartmental Committee for Economic Planning) Resolution no. 86/2000 and art. 4 of the Ministerial Decree of November 14, 2000. The Agreement governs the determination of airport fees and the other regulated revenues earned by ADR. The date of the related hearing has yet to be announced.
- On October 28, 2005, ADR S.p.A. submitted a complaint to the European Commission asking it to examine the provisions of Decree Law no. 211/2005 regarding so-called "system requirements", which was subsequently included in Decree Law no. 203/2005, converted into Law no. 248/2005. ADR's complaint aims to bring to the Commission's attention the fact that the above legislation violates EU law, with particular regard to the rules governing state aid.
- This complaint was followed on February 20, 2006 by a further communication to the European Commission from ADR, reinforcing and expanding on the previous complaint, in response to the guidelines issued by the Ministry of Infrastructure and Transport.
- Actions brought by the ADR, including those contesting certain provisions regarding the implementation of regulations introduced by Law no. 248/2005 (so-called "system requirements"), include the proceedings held before the Civil Court in February 2006 against the Ministry of Infrastructure and Transport. This regards a claim for damages, estimated at 27.6 million euros, caused to ADR S.p.A. as a result of the failure to bring airport fees into line with the target inflation rate until December 2005, in compliance with article 2, paragraph 190 of Law no. 662/1996, which was repealed by Law no. 248/2005. The next hearing is scheduled to take place on March 20, 2009 in order to finalize the conclusions.
- A further action relating to "system requirements" regards the appeal filed by ADR S.p.A. at the Lazio Regional

Administrative Court in February 2006, with a view to revoking the guidelines issued by the Ministry of Infrastructure and Transport on December 30, 2005, regarding the entry into effect of Law no. 248/2005. Specifically, this regards a request for annulment of both the regulations concerning the reduction of airport fees and the Civil Aviation Authority's memorandum of January 20, 2006, fixing the level of temporary airport fees. With sentence no. 2289/2007 lodged on June 5, 2007 the Lazio Regional Administrative Court rejected the appeal. In November 2007 ADR appealed against this sentence before the Council of State. The fixing of a date for a hearing to discuss the matter is awaited.

- Moreover, in March 2006 ADR S.p.A. appealed to the Lazio Administrative Court, without a request for suspensive relief, against the Civil Aviation Authority's memorandum of February 3, 2006 and subsequent memoranda in which the Authority deemed it appropriate to suspend payment of royalties on the sub-concession of airport fuel supply to third parties. The suspension is to remain in force until the submission by airport operators of data regarding the costs incurred in relation to the service provided by oil companies and until the completion of checks to be carried out on these companies by the Civil Aviation Authority. An announcement of the date of a hearing to discuss the matter is awaited.
- Finally, ADR S.p.A. lent its support to the appeals brought before the Constitutional Court by the Campania, Emilia Romagna, Piedmont, Tuscany and Sicily Regional Authorities in order to have Law no. 248/2005 declared unconstitutional.

The hearing to discuss the matter called for by the Piedmont Region was held on January 9, 2007. In May 2007 the Constitutional Court decided to “re-enter the case for trial” and fixed a hearing to discuss the appeal on January 15, 2008. On March 7, 2008, with sentence no. 51, the Court ruled in favor of the objections raised by the authorities relating to the constitutional issues contained in art. 11-9 of Law no. 248/2005 regarding the violation of regional legislative authorities and the violation of the principle of fair cooperation, in the part in which this article does not provide for mandatory consultation of both State and Regional Authorities by CIPE, pursuant to Law no. 281/1997, within the scope of the procedures for adopting the resolution that identifies general criteria for determining airport fees.

- Assaereo (National Association of Airline Carriers and Air Transport Operators) and Blue Panorama lodged an appeal with the Lazio Regional Administrative Court, with a request for revocation, against the Civil Aviation Authority's memorandum of September 15, 2006 (protocol no. 60600) (and another decision dated October 31, 2006 that does not concern Roman airports) with which the Civil Aviation Authority communicated the results of the controls carried out on airports' total operations “in order to analyze the cost correlation of what airport operators request from oil companies on a lump sum basis”.

With sentence no. 11154/2007 the Lazio Regional Administrative Court rejected the appeal. The carriers lodged an appeal on January 2, 2008. An announcement of the date of the relevant hearing is awaited.

- IBAR (Italian Board Airlines Representatives) and no. 6 carriers (Iberia, Tap, American Airlines, Delta Airlines,

NOTES TO THE FINANCIAL STATEMENTS - ADR GROUP

Ethiopian Airlines and Cyprus Airlines) lodged an appeal with the Lazio Regional Administrative Court, with a request for revocation, against the Civil Aviation Authority's memorandum of September 15, 2006 (protocol no. 60600) (in addition to other provisions), with which the Civil Aviation Authority communicated the results of the controls carried out airports' total operations "in order to analyze the cost correlation of what airport operators request from oil companies on a lump sum basis".

A hearing was held to discuss the matter on October 11, 2007. On February 27, 2008 Esso Italian proposed taking measures to oppose the judgment and requested that the appeal lodged by IBAR be rejected. Judgment is awaited. The effects of the appeal are not currently quantifiable.

- IBAR, together with 13 carriers, on the one hand, and Assaereo and Volare, on the other hand, in separate requests, appealed to the Lazio Regional Administrative Court, with concomitant request for suspensive relief, for the cancellation of Civil Aviation Authority rulings no. A0035898 and no. 0035899 of June 5, 2007, regarding the setting of fees for the catering carried out at Rome and Milan airports, respectively. The plaintiffs have withdrawn their request for suspension. A hearing on the matter is awaited, although it is not expected to take place in the immediate future.
- Ryanair appealed to the Lazio Regional Administrative Court requesting cancellation – with prior suspension – of Ordinance no. 14/2007 of July 9, 2007 issued by the management of Ciampino airport, stipulating that no more than 100 commercial movements by the holders of slots could be effected in any one day, with slots to be allocated between 6am and 11.30pm during the winter of 2007-2008. At the hearing held on October 11, 2007 to discuss suspensive relief, the Lazio Regional Administrative Court rejected Ryanair's appeal, thereby maintaining the restricted number of slots for the "winter 2007-2008". With Ordinance no. 5752/2007 the Council of State upheld Ryanair's appeal (and therefore the original application for suspensive relief submitted by the airline). On March 25, 2008 Ryanair notified ADR S.p.A. of an appeal on additional grounds to the Lazio Regional Administrative Court, following the denial by Assoclearance of two slots that did not exceed the current daily limit of 138 slots, and which the airline had not made use of during the summer of 2007. This denial was based on a contradictory interpretation by the Civil Aviation Authority, according to which the effects of the contested Civil Aviation Authority Ordinance remained in force, even after the ruling by the Council of State, if Ryanair were to request slots different from those allocated to it in the summer of 2007, as only the loss of these slots would constitute the serious and irreparable harm that the ordinance intended to avoid. At a hearing held to discuss the matter on April 24, 2008, Ryanair requested that the case be adjourned until a hearing on the merits, a date for which is awaited. At the same time, regarding the carrier's request to execute Council of State Ruling no. 5752/2007, the same judge, with Ruling no. 2046/2008, rejected Ryanair's demands on the following grounds: "for the purposes of executing Ruling no. 5752 of November 6, 2007 the position taken by the appellant with regard to the present dispute, appears to be correct and satisfactory regarding maintenance of the same number of "summer 2007" slots previously allocated to Ryanair by the Civil Aviation Authority and Assoclearance, including

the “summer 2008” season, given that the damages claimed by Ryanair should be measured only on the basis of the number of slots allocated to the airline at the time when the number of total slots allocated to Ciampino airport were reduced from 138 to 100”.

- ENI has brought a claim before the Rome Civil Court against its own client airline carriers (Air One, Alitalia, Eurofly, Livingston, Meridina and Neos) in order to ascertain the obligation to pay oil companies the amounts regarding the license fee that the company owes to airport operators, and, consequently, that the carriers are ordered to pay ENI the amounts accrued to this effect since October 2005 (with Decree Law no. 211/2005 regarding “system requisites” came into effect).

In the same claim, ENI has also brought a secondary claim against airport operators, including ADR S.p.A. (and the Civil Aviation Authority for the airports managed by the State) in order to ascertain that ENI does not owe the airport operators payments for the license fee calculated on the basis of the amount of fuel supplied to airline companies. Moreover, as specifically regards ADR, on the one hand, ENI requests that it is ordered to pay an amount corresponding to the sum paid since October 2005, totaling 276 thousand euros, and, on the other, that it be determined that ENI does not owe ADR the amount of 1.1 million euros (determined up to May 31, 2006), as yet unpaid. At a hearing on November 19, 2008 Alitalia’s attorney submitted a copy of sentence no. 287/2008 of the Bankruptcy Division of the Court of Rome, declaring that the company was insolvent. The judge therefore suspended the trial.

- Air One has taken out legal proceedings at the Rome Civil Court against Tamoil, its jet fuel supplier, as well as certain airport operators (SAB – Aeroporto di Bologna, ADR, SEA and SAVE), claiming the illegality of the payments requested by the managements of oil companies for the use of airport infrastructures, which these companies subsequently “pass on” to carriers. Consequently, Air One also requests that Tamoil – together with the above airport operators, each according to their portion of responsibility – be ordered to repay the sum paid by Air One since 2003, amounting to 2.9 million euros. The case was adjourned until April 23, 2009 for a preliminary enquiry.
- Subsequent to the sentences of the Bankruptcy Division of the Rome Court declaring the insolvency of the following companies: Alitalia - Linee Aeree Italiane S.p.A. in a.s., Volare S.p.A. in a.s., Alitalia Express S.p.A. in a.s., Alitalia Servizi S.p.A. in a.s., Alitalia Airport in a.s., ADR lodged appeals regarding the relative bankruptcy claims. Regarding the proceedings relating to Alitalia - Linee Aeree Italiane S.p.A., ADR’s claim will be dealt with at a hearing on June 16, 2009. The dates on which the Company’s position in the other proceedings will be dealt with have yet to be fixed. Moreover, several legal initiatives have been undertaken at the Court of Civitavecchia, in support of ADR’s claims for amounts due from Alitalia for navigation fees, secured by a lien on the aircraft, also in respect of their related owners, who are jointly liable under the law.
- On December 19, 2006 the Antitrust Authority notified ADR S.p.A. of the start (with decision no. 16246 of December 14, 2006) of proceedings against the Company, following:

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- reports from IBAR regarding the methods applied by ADR S.p.A. to determine some fees for the use of airport infrastructures and capital goods used to service air transportation and passenger and aircraft assistance operations;
- a complaint (also on the part of ALAS, ASSODOR and ANAMA) regarding the cargo sector, which focused on the anti-competitive aspect of the methods of determining fees for office space sub-concessions as well as the limits put forward by ADR regarding competitors' access to the cargo services assistance market.

The Authority holds that ADR S.p.A. has abused its dominant position, pursuant to art. 82 of the EC Treaty, in the airport infrastructure management market at Fiumicino and Ciampino airports and in the cargo handling services market at Fiumicino.

March 19, 2007 was the deadline by which ADR could exercise the faculty pursuant to art. 14-*ter* of Law no. 287/1990, enabling it to give the Authority commitments that would resolve the issue of the anti-competitive practices forming the subject of the investigation. Taking account of ADR S.p.A.'s reasonable and defendable stance in the face of the accusations put forward, it was decided not to make any such commitments and to fully defend the Company's position.

On April 23 and on June 14, 2007 ADR S.p.A. gave evidence during an Antitrust Authority hearing as part of the proceedings.

Following the second hearing the Authority asked ADR S.p.A. to present documentation backing up the facts that had emerged: the documentation will be presented on July 20, 2007.

On November 15, 2007 the Authority extended the deadline for concluding the proceedings – previously fixed for January 31, 2008 – until June 30, 2008.

On November 21, 2007 the Authority asked the Company to provide further information (accompanied by relevant documentation) regarding the state of progress of ADR's procedure to spin off the cargo business at Fiumicino airport, the allocation of space at the Cargo City and the number of all-cargo flights operating at Fiumicino airport. ADR submitted all the requested information and documents on December 13, 2007.

On June 16, 2008 the Authority notified the Company of the results of the preliminary inquiry.

The assessment of the Authority's investigative department, regarding the charges levied by ADR, changed in the sense that it excluded the abusive connotation of certain behaviors described in the initial proceedings of December 2006 and regarding these markets: (i) access to centralized infrastructures; (ii) the provision of assets for common and exclusive use to carry out catering assistance activities; and (iii) the provision of spaces at the airport to carry out additional security activities.

Indeed, in its report on the findings of the preliminary inquiry the Authority described ADR's behavior in the following markets as potentially abusive: a) provision of common and exclusive assets to carry out fuel supply activities; b) provision of common and exclusive assets to carry out cargo handling activities; and c) the cargo handling market.

The Authority extended the deadline for completing the proceedings, initially fixed for June 30, 2008, until July 31, 2008. Following the granting of the Company's request to extend the deadline on June 27, 2008, with a ruling on July 16, 2008, the Antitrust Authority fixed the deadline for gathering evidence at September 30, 2008. On September 25, 2008 ADR therefore submitted its final defense.

On September 30, 2008 the final hearing for the proceedings was held at the Authority which, in addition to the Company, was attended by representatives of IBAR, ICTS and Air One. The deadline for completing the investigation was set at October 24, 2008.

On November 3, 2008 ADR S.p.A. was notified of the Antitrust Authority's ruling on conclusion of the proceedings: the Authority fined ADR a sum of 1,668 thousand euros (compared with a potential maximum fine of approximately 50 million euros) for abuse of its dominant position by applying excessively high fees in the following markets: a) provision of common and exclusive assets to carry out fuel supply activities; b) provision of common and exclusive assets to carry out cargo handling activities; and c) the cargo handling market, relating to the fees charged for access to Cargo City. Therefore, the Authority fined ADR for only three of the six charges contested at the outset of the proceedings.

- On June 3, 2008 the Antitrust Authority took out proceedings against ADR regarding unfair commercial practices. These proceedings were launched following a report by Federconsumatori (Italy's consumers' association). Moreover, prior to the launch of the proceedings, ADR S.p.A., in the spirit of collaboration and transparency that marks its relations with consumers, had already met with Federconsumatori, in order to come to an amicable agreement regarding the alleged unfair commercial practices.

In launching the proceedings, the Authority has requested information from ADR S.p.A. regarding certain advertising messages displayed by the Company in its retail outlets at Fiumicino airport, which might be considered unfair pursuant to articles 20, 21 and 22 of the Consumer Code.

ADR's conduct, which is under investigation by the Antitrust Authority, refers to advertising messages aimed at promoting food items with the slogan "Best Price in Europe", as well as the display of illuminated signs and/or billboards bearing the wording "Good Buy Roma Duty Free Shops offer up to 40% savings on prices in the city". Moreover, the Authority requested information on the wording "Duty Free" displayed in areas reserved for domestic flights, which might mislead consumers.

On June 26, 2008 the Company sent the information requested to the Authority and, having decided it was opportune to do so, on July 4, 2008 ADR submitted its "commitments" to the Antitrust Authority (as provided for under article 27, paragraph 7, of the Consumer Code, as well as article 8 of the "Regulations for preliminary investigations regarding unfair commercial practices").

At a hearing on July 31, 2008 the Authority approved extension of the deadline for concluding the proceedings until October 31, 2008 and, on August 8, 2008, notified the Company of its decision to reject the commitments proposed by the latter. Following this rejection, ADR S.p.A. submitted its final defense on September 30, 2008.

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On November 6, 2008 the Authority notified the Company of its final ruling, whereby ADR was fined a sum of 240 thousand euros, which was reduced to 210 thousand euros in consideration of ADR's cooperative behavior (voluntary removal of the contested advertising messages).

- On November 21, 2007 ADR lodged an appeal with the Lazio Regional Administrative Court (without a request for suspension) to obtain cancellation of CIPE Resolution no. 38/2007 and the attached "Directive regarding tariff regulation of airport services offered on an exclusive basis". Subsequently, ADR appealed (also without request for suspension) against the Guidelines issued by the Civil Aviation Authority in implementation of this Directive.

The principal grounds for the appeal regard the remuneration of invested capital and, more generally speaking, the allocation of concessionary charges, application of the single till criterion (the contribution of a percentage of commercial margins towards the determination of airport fees) and regulated tariff trends. The date of the related hearing has yet to be announced.

- A case brought by a former employee is pending before the Supreme Court against his dismissal for disciplinary reasons in 1993 regarding "alleged offenses" whilst carrying out his duties at work. In the first and second instance the outcome was positive for ADR S.p.A.. The *petitum* in the case amounts to around 0.7 million euros as the plaintiff has requested, in addition to reinstatement of his position at the Company, payment of salary backdated to his dismissal. The case was discussed at a hearing on March 26, 2008 the judgment is awaited.
- A judgment is pending before the Lazio Regional Administrative Court in a case brought by ADR against the Ministry of Labor and Social Policies regarding obligatory employment. The case derives from a request submitted by ADR to the Ministry of Labor regarding the possibility of excluding from the reserve quota of disabled workers ADR employees who carry out security, property surveillance and safety duties (472 staff at the time of the request), as such personnel are involved in activities that are included or assimilable amongst those exonerated under the relevant legislation (Law no. 68/1999). As the Ministry refused to grant this request, ADR S.p.A. appealed to the Regional Administrative Court with a request for preventive suspension. In a ruling on May 4, 2006, handed down with regard to the preventive suspension, the Regional Administrative Court accepted ADR's claim and consequently suspended the Ministry's refusal with immediate effect.
- A case is pending before the Court of Civitavecchia brought by a former employee who was dismissed on disciplinary grounds in 2004. Specifically, the plaintiff was dismissed regarding events that occurred during working hours, for which he was subsequently acquitted in a criminal court. Even though the dismissal was not contested in accordance with the law, the plaintiff has claimed damages amounting to around 0.8 million euros, on the grounds that the dismissal was abusive. Full acceptance of these claims is deemed highly unlikely, whilst it is considered that, in the remote possibility of any claims being accepted, only an insignificant sum would be entailed.
- A group of 16 parties summonsed ADR S.p.A. and the bankrupt Ligabue Gourmet, thereby challenging the validity of ADR's sale of the West catering business unit to Ligabue, with a claim for damages totaling around 9.8

million euros until the end of 2006, including future damages and employee severance indemnities. Despite the lack of previous decisions regarding such a case, acceptance of these claims is deemed highly unlikely. A hearing has been scheduled on January 28, 2010 to discuss the case.

- A case is pending before the Court of Appeal of Rome brought by a group of 31 plaintiffs, all of whom are former ADR employees transferred to Ligabue after the sale of the West catering business unit by ADR to the latter company, which subsequently went bankrupt. The *petitum* is unquantifiable. The claim specifically regards a ruling that dealt with the issue of employment following the bankruptcy of Ligabue signed at the Ministry of Labor and Social Policies, and endorsed by ADR and other interested companies, and the relevant national and regional Authorities and Labor Organizations. Initially, a group of 54 former Ligabue employees lodged an urgent appeal (pursuant to art. 700 of the Civil Procedure Code) requesting that the signatories of the Ministerial ruling of August 2, 2002 be obliged to provide the plaintiffs with suitable employment and execute the terms of the ruling. With regard to preventive action, the judge cancelled the judgment for 11 plaintiffs who were recruited by the Municipality of Rome and, recognizing that the others had been denied the capacity to be made defendants, condemned ADR “to give permanent employment within the scope of airport-related activities” to the other 43 plaintiffs. Subsequent to lodging of an appeal, this measure was modified as the Ministry’s ruling was not deemed to contain any commitment by ADR to directly employ former Ligabue employees, but only to act on their behalf in seeking their employment amongst the companies operating at the airport. The subsequent judgment in first instance acknowledged the validity of the above principle, resulting in a cessation of the case for the 11 plaintiffs recruited by the Municipality of Rome and the rejection of the claim made by the other plaintiffs. As already mentioned, only 31 of the original plaintiffs lodged appeals. A further hearing has been fixed for April 6, 2009.
- A case is pending before the Supreme Court brought by the heirs of an Alitalia employee who died in 1994 due to employment-related causes, according to the plaintiffs. In first instance the plaintiffs only took out legal proceedings against Alitalia but, at the latter company’s request, the judge also involved Assicurazioni Generali and INAIL (National Institute for Insurance against Labor Accidents) in the case, as well as ADR, as Alitalia pointed out that the first aid center that provided assistance to the Alitalia employee who was taken ill was managed by ADR. In the first and second instance the opposing claims were completely rejected. The *petitum* in the case, for claims for damages submitted by the plaintiffs, amounts to around 1 million euros. A date for the Supreme Court hearing has not yet been fixed.

The following claims with regard to contract work, services and supplies are pending before civil law courts:

- At the hearing on January 10, 2007 ATI Alpine Bau, awarded the contract for works relating to the structural and operational upgrading of runway 3 at Leonardo da Vinci Airport in Fiumicino, appealed sentence no. 1347/2006

NOTES TO THE FINANCIAL STATEMENTS - ADR GROUP

by Rome's Civil Court. This sentence ordered ADR to pay 1.2 million euros, plus legal interest from the time of the claim, totaling 0.2 million euros.

The appeal reiterates the claims for damages made in first instance (66 million euros, plus legal interest accrued from the time of the claim) and a request was made to combine the three proceedings. In addition, a further appeal is pending against the partial judgment in first instance (the hearing for final judgment, was adjourned by the Court until October 20, 2009).

At the hearing on January 10, 2007 ATI Alpine's legal counsel made a request to combine the present proceeding with the preceding underway for which a partial judgment has been made (cited above). ADR's legal experts opposed to the combination of the proceedings and the judge, in accepting this opposition, rejected the request, but at the same time ordered that, merely for the purposes of reducing the number of court appearances, the present proceeding and that for which a partial judgment has been made be handled during the same hearing. This hearing was adjourned by the Court until January 19, 2010.

- In 2002 a lawsuit was taken out by ATI Elsag S.p.A. - CML Handling Technology S.p.A. regarding payment of sums posted to accounts relating to the contract to construct the new baggage handling system at Fiumicino airport, amounting to 7.4 million euros, plus interest. With sentence no. 23167/2007 ADR S.p.A. was ordered to pay damages to Elsag, amounting to 1.2 million euros, plus interest and revaluation. Before the related right should lapse, the Company has lodged an appeal whilst awaiting the outcome of negotiations that may lead to an agreed settlement of the dispute.
- A claim for damages, in relation to the contract for the extension and restructuring of the international terminal at Rome's Fiumicino Airport and related works, has been brought by Consorzio Aerest (in liquidation). The claim amounts to approximately 2.2 million euros plus VAT, interest and revaluation. On October 8, 2004 the Court of Rome partially upheld the Consorzio Aerest's claim, requiring ADR S.p.A. to pay the consortium the sum of approximately 167 thousand euros, rejecting all other claims and apportioning the legal costs to both parties. On April 27, 2005 Consorzio Aerest appealed against the above-mentioned sentence, substantially reiterating the claim submitted in first instance. At the hearing for final judgment held on May 20, 2008, the judge adjourned the hearing until April 6, 2010 for the same purpose.
- In the parallel civil judgment instigated by Consorzio Aerest to obtain, amongst other things, restitution from ADR S.p.A. of the so-called withholding on accidents and injuries with sentence no. 2691/2007. Rome's Civil Court ordered ADR S.p.A. to pay the amount of 280 thousand euros, in addition to legal interest and court expenses accruing from the time of the claim. The appeal is going forward in consideration of the fact that ADR S.p.A. has already paid the contested amount on the basis of the inspection certificate approved at that time, even if the nature of said amounts was not specified in said certificate, thereby causing the judgment in first instance to be erroneous. The case was adjourned until a hearing on April 6, 2010 for passing of judgment, but did not make provisions for combining it with the above judgment.

- A civil lawsuit brought by Finprest to obtain recognition of its right to a sum of 3.2 million euros pertaining to review of contract prices, revaluations and interest in relation to a contract (dating back to 1988) for restructuring and extension works at the “old” domestic terminal (Terminal A) at Leonardo da Vinci airport in Fiumicino. With partial judgment no. 6265/2008 the Court of Rome rejected the claims of the plaintiff, ATI Finprest, whilst accepting the plaintiff’s claim for interest for alleged late payment of installments paid regarding revised prices during the term of the contract. In a separate ruling, the Court thus ordered the proceedings to continue with appointment of an expert to ascertain whether ADR had made delayed payments of the revised installments and, if so, to determine the relative amount of interest. The Court appointed an expert at a hearing on November 26, 2008.
- On December 30, 2004 ATI NECSO Entrecanales - Lamaro Appalti notified its decision to appeal sentence 35859/2003 issued by the Civil Court of Rome, summoning ADR S.p.A. to appear before the Appeal Court of Rome. In addition to rejecting ATI Necso’s claims, the judge at the initial hearing also ordered the company to pay ADR S.p.A.’s costs. ATI NECSO is claiming damages of 9.8 million euros, plus VAT, interest, revaluation and costs, from ADR S.p.A. in relation to 7 claims posted in the accounts relating to the contract for work on the extension and restructuring of the international terminal (Satellite West) at Fiumicino. In view of the positive outcome of the initial hearing, the Company believes the likelihood of a negative outcome to be remote. A session to draw up conclusions was held on November 18, 2008, and judgment is awaited.
- On February 1, 2005 Fondedile Costruzioni S.r.l. lodged an appeal against sentence no. 23019/2004 of the Civil Court of Rome, which rejected all the requests made by Fondedile, and also ordered the company to reimburse ADR S.p.A.’s legal costs. Such appeal reiterates the claim submitted in first instance for a total of 3.6 million euros, as well as legal and overdue interest and revaluation. The case was adjourned for “court list” reasons until a hearing on April 21, 2009, also for pronouncement of final judgment.
- On March 31, 2006 a summons was issued in which ATI Opere Pubbliche S.p.A. - Opere Idriche S.p.A., the company contracted to carry out works on the multistory car park (fifth module) at Leonardo da Vinci airport in Fiumicino, requests that ADR S.p.A. be ordered to pay the 17 reserves recorded in the accounts regarding said works, for a total of 2.0 million euros, plus legal interest, as well as legal costs and fees. The request submitted from the alleged design error which obliged the contractor, ATI, to use greater quantities of material than those provided for in the project and, above all, the increase in the prices of materials used for the work in question. With the Order of April 3, 2007, the judge accepted the preliminary and prejudicial questions raised by ADR S.p.A., rejecting, at the same time, the requests put forward by the plaintiff. The hearing was adjourned until March 20, 2009 for final judgment.

NOTES TO THE FINANCIAL STATEMENTS - ADR GROUP

In the Group's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

* * *

In conclusion, we declare that these Consolidated Financial Statements present a true and fair picture of the Group's financial position and results of operations for the year.

The Board of Directors

R E P O R T
OF THE INDEPENDENT
A U D I T O R S

Deloitte.

**AUDITORS' REPORT PURSUANT TO ART. 156 AND 165
OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998**

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**To the Shareholders of
AEROPORTI DI ROMA S.p.A.**

1. We have audited the consolidated financial statements of Aeroporti di Roma S.p.A. and subsidiaries ("Aeroporti di Roma Group") as of December 31, 2008. These consolidated financial statements prepared in accordance with the Italian law governing financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the prior year's consolidated financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report issued on March 31, 2008.

3. In our opinion, the consolidated financial statements present fairly the financial position of Aeroporti di Roma Group as of December 31, 2008, and the results of its operations for the year then ended in accordance with the Italian law governing financial statements.
4. The Company's Directors are responsible for the preparation of the Management Report on Operations in accordance with the applicable law. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by art. 156, paragraph 4-bis, letter d), of the Legislative Decree 58/98. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Report on Operations is consistent with the consolidated financial statements of Aeroporti di Roma Group as of December 31, 2008.

DELOITTE & TOUCHE S.p.A.

Signed by
Domenico Falcone
Partner

Rome, Italy
March 30, 2009

This report has been translated into the English language solely for the convenience of international readers.

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Member of
Deloitte Touche Tohmatsu

**COMPANY FINANCIAL
STATEMENTS AS OF
DECEMBER 31, 2008**



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**BALANCE SHEET
AND INCOME STATEMENT**

ADR SPA - BALANCE SHEET

as of December 31, 2008 (compared with December 31, 2007) - (Translation from the original issued in Italian)

ASSETS (in Euros)	12.31.2008	12.31.2007
UNPAID SHARE CAPITAL DUE FROM SHAREHOLDERS	0	0
FIXED ASSETS		
Intangible fixed assets:		
– Industrial patents and intellectual property rights	2,413,547	2,295,454
– Concessions, licenses, trademarks and similar rights	1,782,506,275	1,832,274,814
– Leasehold improvements in process and advances	21,817,476	41,808,644
– Others	218,529,010	180,034,154
	2,025,266,308	2,056,413,066
Tangible fixed assets:		
– Land and buildings	3,014,107	3,102,806
– Plant and machinery	42,753,137	37,543,992
– Industrial and commercial equipment	1,254,515	1,578,883
– Fixed assets to be relinquished	100,187,843	76,116,680
– Other assets	4,429,671	4,190,763
– Work in progress and advances	20,239,251	16,437,400
	171,878,524	138,970,524
Non-current financial assets:		
– Equity investments in:		
– subsidiary undertakings	10,378,132	4,378,132
– associated undertakings	49,001	49,001
– other companies	2,718,532	2,252,718
	13,145,665	6,679,851
– Receivables due from others:		
– within 12 months	3,099	3,099
– beyond 12 months	539,365	711,586
	542,464	714,685
	13,688,129	7,394,536
Total fixed assets	2,210,832,961	2,202,778,126
CURRENT ASSETS		
Inventory:		
– Raw, ancillary and consumable materials	2,912,894	2,817,101
– Contract work in progress	10,505,348	7,515,348
– Finished goods and goods for resale:		
– goods for resale	8,342,453	8,298,091
– Advances	336	113,439
	21,761,031	18,743,979
Receivables:		
– Due from clients	146,275,411	137,646,498
– Due from subsidiary undertakings	15,695,466	11,687,054
– Due from associated undertakings	529,543	529,543
– Due from parent companies	46,577	0
– Due from tax authorities	2,824,047	2,090,942
– Deferred tax assets	19,342,345	9,757,345
– Due from others:		
– various:		
– within 12 months	49,083,164	51,509,226
– advances to suppliers for services to be rendered	742,609	0
	49,825,773	51,509,226
Marketable securities	234,539,162	213,220,608
	0	0
Cash on hand and in banks:		
– Bank and post office deposits	136,777,372	157,390,127
– Cash and notes in hand	882,004	1,143,033
	137,659,376	158,533,160
Total current assets	393,959,569	390,497,747
ACCRUED INCOME AND PREPAID EXPENSES		
Accrued income and other prepaid expenses	4,016,460	4,496,565
TOTAL ASSETS	2,608,808,990	2,597,772,438

BALANCE SHEET - ADR SPA

as of December 31, 2008 (compared with December 31, 2007) - (Translation from the original issued in Italian)

LIABILITIES AND SHAREHOLDERS' EQUITY (in Euros)	12.31.2008	12.31.2007
SHAREHOLDERS' EQUITY		
Share capital:		
– Ordinary shares	62,309,801	62,309,801
Share premium reserve	667,389,495	667,389,495
Revaluation reserves	0	0
Legal reserve	12,461,960	12,461,960
Reserve for own shares	0	0
Statutory reserves	0	0
Other reserves	416,300	416,300
Retained earnings (accumulated losses)	23,814,301	4,881,808
Net income (loss) for the year	(7,047,940)	18,932,493
Total shareholders' equity	759,343,917	766,391,857
ALLOWANCES FOR RISKS AND CHARGES		
Other	29,336,774	29,627,399
Total allowances for risks and charges	29,336,774	29,627,399
EMPLOYEE SEVERANCE INDEMNITIES	35,785,662	36,377,465
PAYABLES		
Due to banks:		
– within 12 months	1,466,057	5,981,349
– beyond 12 months	<u>293,350,000</u>	<u>243,250,000</u>
	294,816,057	249,231,349
Due to other financial institutions:		
– within 12 months	13,906,686	14,640,355
– beyond 12 months	<u>1,200,018,896</u>	<u>1,265,018,896</u>
	1,213,925,582	1,279,659,251
Advances:		
– From clients:		
– from the Ministry of Transport:		
– within 12 months	278,106	278,106
– beyond 12 months	4,770,000	4,770,000
– other	<u>8,559,008</u>	<u>4,531,198</u>
	13,607,114	9,579,304
Due to suppliers:		
– within 12 months	133,406,174	126,137,634
– beyond 12 months	<u>4,636,594</u>	<u>3,833,119</u>
	138,042,768	129,970,753
Due to subsidiary undertakings:		
– within 12 months	<u>19,953,462</u>	<u>14,932,635</u>
	19,953,462	14,932,635
Due to associated undertakings:		
– within 12 months	<u>1,002,980</u>	<u>1,002,980</u>
	1,002,980	1,002,980
Due to parent companies:		
– within 12 months	<u>19,793,015</u>	<u>14,106,960</u>
	19,793,015	14,106,960
Taxes due:		
– within 12 months	<u>32,245,817</u>	<u>20,251,372</u>
	32,245,817	20,251,372
Due to social security agencies	5,216,180	6,546,613
Other payables: various creditors:		
– within 12 months	39,003,094	33,497,620
– beyond 12 months	<u>1,227,113</u>	<u>1,462,636</u>
	40,230,207	34,960,256
Total payables	1,778,833,182	1,760,241,473
ACCRUED EXPENSES AND DEFERRED INCOME		
Accrued expenses and other deferred income	5,509,455	5,134,244
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,608,808,990	2,597,772,438

ADR SPA - MEMORANDUM ACCOUNTS

as of December 31, 2008 (compared with December 31, 2007) - (Translation from the original issued in Italian)

MEMORANDUM ACCOUNTS (in Euros)	12.31.2008	12.31.2007
GENERAL GUARANTEES		
Sureties	110,522	110,522
Other	<u>662,680</u>	<u>686,421</u>
	773,202	796,943
COLLATERAL GUARANTEES	0	0
COMMITMENTS ON PURCHASES AND SALES	114,867,846	112,323,422
OTHER	939,652,570	917,577,282
TOTAL MEMORANDUM ACCOUNTS	1,055,293,618	1,030,697,647

INCOME STATEMENT - ADR SPA

for the year ended December 31, 2008 (compared with the year ended December 31, 2007) - (Translation from the original issued in Italian)

INCOME STATEMENT (in Euros)	Year 2008	Year 2007
TOTAL REVENUES		
Revenues from sales and services:		
– Revenues from sales	87,282,599	79,894,625
– Revenues from services	475,325,085	468,854,381
Changes in contract work in progress	562,607,684	548,749,006
2,990,000	289,996	
Other income and revenues:		
– Revenue grants	94,914	0
– Profits on disposals	42,548	90,700
– Other	7,341,031	6,128,051
	7,478,493	6,218,751
	573,076,177	555,257,753
OPERATING COSTS		
Raw, ancillary and consumable materials and goods for resale	78,676,608	66,815,964
Services	120,222,189	105,149,972
Leases	12,952,141	10,391,174
Payroll:		
– Wages and salaries	79,960,960	82,061,505
– Social security	21,324,842	23,395,366
– Employee severance indemnities	6,117,922	6,436,906
– Other	1,238,140	1,191,079
	108,641,864	113,084,856
Depreciation, amortization and write-downs:		
– Amortization of intangible fixed assets	86,834,234	82,683,678
– Depreciation of tangible fixed assets	17,898,932	15,409,438
– Provisions for doubtful accounts	2,486,200	5,420,328
	107,219,366	103,513,444
Changes in inventories of raw, ancillary and consumable materials and goods for resale	(140,154)	2,091,086
Provisions for risks	0	7,121,206
Other provisions	390,000	180,000
Sundry operating costs:		
– Losses on disposals	0	39,660
– License fees	15,006	16,258
– Other	49,679,527	6,003,253
	49,694,533	6,059,171
	(477,656,547)	(414,406,873)
Operating income	95,419,630	140,850,880
FINANCIAL INCOME AND EXPENSE		
Income from equity investments:		
– Dividends from subsidiary undertakings	1,097,820	1,387,170
	1,097,820	1,387,170
Other financial income:		
– From long-term receivables:		
– other	4,089	13,440
– Other:		
– interest and commissions from subsidiary undertakings	78,806	127,455
– interest and commissions from banks	7,793,837	7,706,902
– interest and commissions from clients	201,799	748,370
– interest and commissions from others	8,426,969	2,755,448
	16,505,500	11,351,615
Interest expense and other financial charges:		
– Interest and commissions due to subsidiary undertakings	175,525	136,250
– Interest and commissions due to banks	15,419,596	12,492,374
– Interest and commissions due to other financial institutions	74,178,202	72,203,952
– Interest and commissions due to others	8,401,852	5,024,506
– Provisions for overdue interest on written down receivables	93,692	143,577
	(98,268,867)	(90,000,659)
Profits and losses on exchange:		
– Profits	57,335	113,559
– Losses	6,594	14,935
	50,741	98,624
Total financial income (expense), net	(80,614,806)	(77,163,250)

INCOME STATEMENT (in Euros)	Year 2008	Year 2007
ADJUSTMENTS TO FINANCIAL ASSETS	0	0
EXTRAORDINARY INCOME AND EXPENSE		
Income:		
– Gains on disposals	0	1,384,382
– Other	<u>611,739</u>	<u>613,503</u>
	611,739	1,997,885
Expense:		
– Taxes relating to previous years	0	18,270
– Other	<u>5,373,219</u>	<u>2,639,384</u>
	(5,373,219)	(2,657,654)
Total extraordinary income (expense), net	(4,761,480)	(659,769)
Income before taxes	10,043,344	63,027,861
Income taxes of the year, current, deferred assets (liabilities):		
– Current	(26,676,284)	(40,659,368)
– Deferred tax assets (liabilities)	9,585,000	(3,436,000)
Total taxes	(17,091,284)	(44,095,368)
Net income (loss) for the year	(7,047,940)	18,932,493

**NOTES TO THE
FINANCIAL STATEMENTS**

General principles.

*(Translation from
the original issued
in Italian)*

These Notes are an integral part of the Company Financial Statements for the year ended December 31, 2008. The Financial Statements have been prepared in accordance with the law, as interpreted and integrated by the Accounting

Standards issued by the Italian Accounting Profession and the Italian Accounting Standards Setter (collectively referred to as Italian GAAP), and include such supplementary information on the Balance Sheet and the Income Statement as to guarantee a true and fair view of ADR S.p.A.'s financial position and operating performance.

The Balance Sheet data as of December 31, 2008 and the Income Statement for the year then ended are compared with the data for 2007.

The Income Statement and Balance Sheet items showing zero balances across the periods used for comparison are not shown.

The Financial Statements are expressed in euros.

About the Company.

Leonardo S.p.A. (now ADR S.p.A.) was incorporated on January 25, 2000⁽¹⁾ for the purpose of acquiring holdings in airport management companies.

As a result of the privatization of ADR S.p.A., on July 31, 2000 Leonardo acquired 51.148% of the share capital of ADR S.p.A., an airport management company founded on February 12, 1974, from IRI S.p.A. (now Fintecna S.p.A.).

⁽¹⁾ Leonardo was incorporated as a limited liability Company with the name of Sysira S.r.l.. The Extraordinary General Meeting of July 4, 2000 resolved to convert the Company into a joint-stock Company with the name of Leonardo S.p.A..

This holding was increased to 95.860% following the public offerings (obligatory and residual) launched by Leonardo, in order to acquire the remaining shares of ADR S.p.A., pursuant to art. 106 of Legislative Decree no. 58/1998. The offerings were concluded on November 6, 2000 and March 23, 2001. Other shares in ADR S.p.A. were purchased on the open market. Therefore, with effect from March 29, 2001, in accordance with the action taken by the Italian Stock Exchange, ADR S.p.A.'s shares, which had been quoted since July 24, 1997, were subsequently delisted.

The deed for the ensuing merger of ADR S.p.A. and Leonardo S.p.A. was drawn up on May 16, and came into effect on May 21, 2001, under the terms of art. 2503 of the Italian Civil Code. At the time of the merger of ADR S.p.A. with Leonardo S.p.A., the latter changed its name to ADR S.p.A..

The merger adjustments were posted to the financial statements of the acquiring Company, with effect from January 1, 2001, for both statutory and fiscal purposes.

The business purpose of the merged Company, ADR S.p.A., is the construction and management of airports, including the operation of any activity connected with or complementary to air traffic of any type or specification. The Company's principal activities include the management of Rome's two airports ("Leonardo da Vinci" at Fiumicino and "G.B. Pastine" at Ciampino) in accordance with financial and organizational criteria, as per Law no. 755 dated November 10, 1973 and subsequent amendments.

This activity is carried out under a concession granted by the Italian Ministry of Infrastructure and Transport (the Concession Provider). The current concession term is due to expire in 2044. The concession, regulated by specific contractual agreements with the Concession Provider, includes the management of infrastructures and services (retail outlets, etc.) and the maintenance of plant, machinery and buildings. ADR S.p.A. also provides security screening services for passengers and carry-on and hold baggage.

Additionally, the Company is responsible for coordinating the airport infrastructure "Development Program" financed by both the Government and by the Company, with funds generated from its own resources. The special laws governing the Company's activities require that the assets utilized be indicated in the balance sheet according to legal title to ownership.

As a result, it is important to note that the assets used by the Company are classified according to four different categories, as analyzed below:

- "Company-owned fixed assets": consist of assets purchased outright by the Company using its own funds and which the Company considers will not be relinquished on expiry of the concession. This category includes temporary buildings, plant and machinery, industrial and commercial equipment and other items. Such assets are recorded under "tangible fixed assets";
- "Fixed assets to be relinquished": consist of assets purchased by the Company using its own funds and which the Company will be obliged to transfer to the Concession Provider free of charge, in good working condition, at the end of the concession term. "Fixed assets to be relinquished" are defined as all permanent works and installations constructed on Government land within the airport. This category includes industrial buildings and plant and machinery, which are recorded under "tangible fixed assets";
- "Assets received under the concession": consist of assets purchased or constructed by the Government and made

NOTES TO THE FINANCIAL STATEMENTS - ADR SPA

available to the Company under the concession. This category primarily includes the infrastructure already present on the airport grounds before ADR S.p.A. was formed in 1974. As the Company does not hold title to such assets, they are recorded in the Memorandum Accounts under "other";

– "Assets completed on behalf of the State": consist of assets resulting from construction projects carried out by the Company pursuant to the Development Program on behalf of, and financed by, the Government, for which the Company generally makes no gain or loss deriving from their construction. Such assets are recorded in two ways: either in the Memorandum Accounts under "other", reflecting the completion of a pre-agreed portion of the relevant construction project and the issuance by the Company of an invoice to the Concession Provider, or as an asset in the Company's balance sheet under "inventory: contract work in progress", reflecting the value of the portion of the relevant construction project not yet invoiced at year end. In order to carry out such construction projects, the Company receives a cash advance from the Concession Provider. The advance provides funds for carrying out the relevant construction projects and is recorded in the Company's balance sheet as a payable, under "advances". Thereafter, the costs actually incurred by the Company in relation to the relevant construction project are invoiced to the Concession Provider on the basis of the work completed leading to a reduction of the related payable under "advances" during the construction period. In addition, the Concession Provider makes a lump-sum payment to the Company to cover general construction costs relating to design, inspections, testing and works supervision. This lump-sum payment is equal to approximately 9% of the total amount allocated by the concession provider for the relevant project, including general construction costs.

The invoiced portion of assets included in "assets received under the concession" and "assets completed on behalf of the State" is recorded in the Memorandum Accounts, since such assets are used by the Company over the entire concession term.

Furthermore, the costs of any improvements or conversions carried out in relation to assets included under "assets received under the concession" and "assets completed on behalf of the State" and financed independently by the Company, where such assets have a service life of several years, are recorded in the Company's balance sheet under "intangible fixed assets", since such assets are comparable to leasehold improvements.

The value of the airport management concession, posted in the accounts at the time of ADR S.p.A.'s merger with Leonardo, represents the goodwill purchased by Leonardo and reflecting the difference between the price paid for ADR S.p.A.'s shares and the value of the relevant interest in shareholders' equity. The concession is posted among "intangible fixed assets" under "concessions, licenses, trademarks and similar rights".

As of December 31, 2008, the Company is a subsidiary of Gemina S.p.A., which owns 95.761% of the share capital.

Explanation added for translation into English.

The Financial Statements have been translated into English from the original version in Italian. They have been prepared in accordance with the Italian law related to Financial Statements, interpreted and integrated by the Accounting Principles established by the Italian Accounting Profession. Certain accounting practices applied by the Company that conform to generally accepted Accounting Principles in Italy do not conform with the generally accepted accounting principles in other Countries.

Exemptions.

The Financial Statements were prepared in accordance with the specifications laid down in the Italian Civil Code within the limits already specified in the introduction to the Notes. A true and fair account of the Company's financial position, operating results and cash flows was ensured without recourse to any departure from the Principles mentioned above. No exceptional cases of incompatibility arose that required application of art. 2423 paragraph IV of the Italian Civil Code.

Accounting policies.

The accounting policies adopted in the preparation of the Financial Statements for the year ended December 31, 2008 are based on the prudence, going-concern and substance over form principles. They comply with the provisions of article 2426 of the Italian Civil Code and are consistent with those adopted in previous years.

The most relevant accounting policies are summarized below. A more detailed explanation of certain policies can be found in the Notes to the single classes of items.

Fixed assets.

These are recorded at purchase cost and are revalued, where necessary, for single items in accordance with the laws applying to monetary revaluation. Directly connected incidental costs are included in the purchase cost. Should there be a permanent impairment of value of such fixed assets, the relevant fixed asset is written down accordingly. The appropriate value of such fixed assets, adjusted solely to take account of accumulated amortization or depreciation, is reinstated if the reasons for any write-downs subsequently cease to apply.

Intangible fixed assets.

Intangible fixed assets have limited useful lives and their cost is amortized on a straight-line basis during each financial year in relation to their residual useful lives. In particular:

– *Incorporation and development costs.*

These are reported under assets at purchase cost, with the consent of the Board of Statutory Auditors, and amortized over a period of five years. The Company may only distribute dividends if there are sufficient reserves available to cover the amount of the costs not yet amortized.

– *Industrial patents and intellectual property rights.*

These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, over what is usually established by tax legislation as being three years.

– *Concessions, licenses, trademarks and similar rights.*

These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, and is applied over a period of three years in the case of concessions and licenses and of not more than ten years for trademarks.

The value of the airport management concession, paid by the Parent Company, Leonardo S.p.A. (now ADR S.p.A.) on acquiring its holding in ADR S.p.A., is amortized on the basis of the residual concession term, which will expire on June 30, 2044.

– *Other.*

This item essentially includes:

- *leasehold improvements:* improvements (modernization, upgrades), having a service life of several years, carried out on assets belonging to third parties (held under concession or constructed on behalf of the State). These costs are amortized in relation to their residual service lives, usually less than the period of the concession;
- *transaction costs incurred on loans:* the charges incurred to obtain medium- and long-term loans (such as investigative charges, legal fees, etc.) are capitalized and amortized on the basis of the duration of the loan, in accordance with the financial method.

Tangible fixed assets.

Tangible fixed assets have limited useful lives and their cost is depreciated on a straight-line basis during each financial year according to their residual useful lives. Rates of depreciation are applied that reflect the estimated useful lives of the assets.

A summary of the rates used is provided below:

Land and buildings	10%
Plant and machinery	from 10% to 25%
Industrial and commercial equipment	from 10% to 25%
Fixed assets to be relinquished	4%, 10%
Other assets	from 10% to 25%

In accordance with articles 10 and 3 of Law no. 72 of March 19, 1983, the Company has revalued fixed assets still in its possession by 2,463,379 euros. Such fixed assets are carried at 2,372,924 euros. The original revaluation reserve was utilized in previous years to absorb losses.

– *Land and buildings.*

These are recorded at purchase cost adjusted in accordance with art. 3 of Law no. 72/1983.

– *Fixed assets to be relinquished.*

Such assets are recorded at purchase cost adjusted in accordance with the above-mentioned art. 3 of Law no. 72/1983, including any ancillary charges and subsequent development costs.

Such assets are depreciated in relation to their residual useful lives. In addition, provisions are made for transfer costs relating to the “fixed assets to be relinquished”, with the aim of covering the estimated costs which will be borne at the end of the concession term (in 2044) when the assets are to be transferred to the Concession Provider in good working condition.

Non-current financial assets.

Non-current financial assets include equity investments recorded at purchase cost in accordance with the previously explained criteria applied to fixed assets. Should there be a permanent impairment in the value of an asset, due to losses sustained or to other reasons, and revenues in the near future are not expected to cover such losses, the asset is written down accordingly. In future years, should the reason for the write-down cease to apply, the original value of the asset is reinstated.

Should the Company decide to dispose of an equity investment previously accounted for in non-current financial assets, the investment is reclassified to “current financial assets”.

Non-current receivables are recorded at their nominal value.

Current assets.

Inventories.

- *Inventories of raw, ancillary and consumable materials, finished goods and goods for resale.*

These are recorded at the lower of the weighted average purchase cost and the estimated realizable value taking into account market price trends.

- *Contract work in progress.*

These assets are recorded on the basis of the percentage-of-completion method (determined on the basis of the ratio of costs sustained to the total cost of the project). The value of the work so far completed and for which repayment is considered definite is recorded among revenues. Any additional costs borne by the Company in relation to changes in the original project, as requested by the Concession Provider, constitute, depending on the nature of the changes, either a write-down of the agreed value (in the case of assets which may not be operated autonomously) or, alternatively, intangible fixed assets (where such variations are considered improvements to and/or conversions of third party assets).

Receivables.

These are recorded at their estimated realizable value.

Marketable securities.

These assets are recorded at the lower of cost and realizable value.

Cash on hand and in banks.

Such items are recorded at their nominal value subject to verification of the clearance of bank checks and the availability of bank deposits.

Accruals and deferrals.

Accruals and deferrals are valued in accordance with the matching concept, by means of dividing costs and revenues relating to two or more financial periods over the period to which they relate.

Allowances for risks and charges.

These are made up of provisions covering sundry losses of a determinate nature and of certain or probable

occurrence. The evaluation of risks and charges also takes into account liabilities which have become known between the closure of the accounting period under consideration and the date of the preparation of these Financial Statements. Such allowances are held to be adequate to cover the related losses and charges.

Employee severance indemnities.

Employee severance indemnities were calculated for all the Company's employees and in accordance with governing legislation. This amount was calculated for indemnities accrued up to December 31, 2008 and is shown net of any advance payments and amounts paid in the form of supplementary pension benefits or to the Treasury Fund set up at the Italian Social Security Institute (INPS).

Following the entry into force of the reform of supplementary pensions on January 1, 2007, the personnel of private companies with more 50 employees may choose to have their employee severance indemnities allocated to a form of supplementary pension fund or leave them with their company. In the latter case, the company pays employee severance indemnities into a fund set up at INPS, in accordance with the implementing Decree of January 30, 2007, denominated Allowance for employee severance indemnities or Treasury Fund. Consequently, amounts for employee severance indemnities maturing as of January 1, 2007 are classified on a monthly basis under "due to social security agencies". The following month the indemnities are paid to the supplementary pension fund or the Treasury Fund.

Payables.

Payables are recorded at their nominal value.

Receivables and payables recorded in foreign currency.

In line with the new provisions introduced by company law reform (article 2426 - paragraph 8-*bis* of the Italian Civil Code), items expressed in foreign currency are posted at the historical exchange rate on the day a transaction is carried out. Any exchange rate differences, incurred on collection of receivables or on settlement of payables denominated in foreign currency, are recorded in the Income Statement under "foreign exchange gains and losses".

If the translation of receivables and payables denominated in foreign currency, at closing rates, results in a net gain or loss, such an amount is recorded in the Income Statement under "foreign exchange gains and losses". As any net income deriving from translation using closing exchange rates is unrealized profit, this is allocated to a special undistributable reserve until it is subsequently realized.

Memorandum accounts.

General/secured guarantees given.

These are valued in accordance with the period-end residual value of the debt or securities guaranteed.

Commitments on purchases and sales.

This item reports the value of contracts to be fulfilled and which imply a commitment, on the part of the Company, to third parties. Non-quantifiable commitments are not recorded, but are described in a relevant note if of significant value.

Other.

– *Secured/general guarantees received.*

These are recorded at an amount approximately equal to the residual value due at period end.

– *Third parties' assets lodged with the company (principally assets received under the concession).*

These are recorded at values based on the latest estimate made by UTE (Tax Technical Office) in 1979 or, in the case of works financed by the State and then subsequently received under the concession, at the value of the work completed and invoiced to the Ministry of Infrastructure and Transport, in accordance with agreements.

– *Company-owned assets lodged with third parties.*

These are recorded at their net book value.

This item also includes the value of the advertising division leased to ADR Advertising S.p.A., as recorded in the inventory check carried out on start-up of activities.

Revenues.

Revenues are reported net of returns, discounts, reductions and premiums as follows:

- revenues from sales: upon delivery;
- revenues from services: upon supply of the service.

Dividends.

Dividends from subsidiary undertakings are posted to the Income Statement on an accruals basis, that is in the year in which the relevant net income is generated by the subsidiary undertaking, based on the proposed dividend

approved by the Company's Board of Directors prior to the date of approval of ADR S.p.A.'s Financial Statements.

Income taxes.

“Current taxes” are calculated on the basis of the Company's taxable income. The related payable is posted to “taxes due”.

Regarding participation in the domestic tax consolidation regime by ADR S.p.A., as the consolidated Company, and the Parent Company, Gemina S.p.A., as the Consolidating Company, taxable income and tax losses transferred to the Consolidating Company are recorded under current tax “expense” and “income from tax consolidation”, respectively, with contra-entries for amounts due to and from the parent companies.

The Consolidated Company also transfers withholding taxes, tax credits and rebates from previous tax returns to the Consolidating Company. These may be offset against IRES calculated on consolidated income.

“Deferred tax assets” and “liabilities” are calculated on the basis of temporary differences between the carrying value recorded in the Financial Statements and the tax bases of the relevant assets and liabilities. Deferred tax assets are only recorded where there is reasonable certainty of their recoverability; deferred tax liabilities are not recorded when there is little possibility of the charge actually being incurred.

Derivatives contracts.

The positive and negative interest rate differentials, deriving from “Interest Rate Swaps”, accrued at the end of the period are recorded on the accruals basis in the Income Statement among financial income and expense.

The Company's hedging policy, in accordance with obligations laid down in loan agreements, stipulates that at least 51% of the loan should be subject to a fixed rate of interest.

Notes to the Balance Sheet.

Fixed assets.

Intangible fixed assets.

An analysis of the most important changes during the year reveals the following:

- “Concessions, licenses, trademarks and similar rights” include the value of the airport concession, amounting to 1,778,398 thousand euros as of December 31, 2008. The decrease of 49,769 thousand euros is due to the combined effect of amortization for the period (52,504 thousand euros), investment (2,075 thousand euros), transfers from work in process (651 thousand euros) and reclassifications (10 thousand euros);
- “Leasehold improvements in process and advances” decreased by 19,991 thousand euros in 2008 due to the following:
 - a decrease of 21,076 thousand euros deriving from improvements entering service during the period and reclassified under “industrial patent and intellectual property rights”, “leasehold improvements” and “concessions, licenses, trademarks and similar rights”;
 - write-downs totaling 60 thousand euros;
 - a decrease of 8,685 thousand euros due to reclassification of works in progress at Pier C under “tangible fixed assets in process and advances”. Given that, according to the most recent cost estimates, the works have been largely self-financed by ADR S.p.A., they will become part of the Company’s concession assets;
 - an increase of 9,830 thousand euros for new investments.
- “Other” intangible fixed assets increased by 38,495 thousand euros. “Leasehold improvements” rose by 41,824 thousand euros due to purchases during the period (51,007 thousand euros), transfers from work in process (20,231 thousand euros) and reclassifications (up 123 thousand euros), partly offset by amortization for the period (29,537 thousand euros).

“Ancillary charges for loans” rose by 425 thousand euros due to capitalization of costs incurred on May 27, 2008 in connection with the granting of the EIB loan. Amortization for the period, amounting to 3,754 thousand euros, also includes recognition in the Income Statement of a portion of the residual transaction costs regarding portions of “Loan B”, the “Term Loan Facility” and the line of credit granted by BIIS - Banca Infrastrutture Innovazione e Sviluppo (formerly Banca OPI), which were repaid in advance in March 2008. For further information, reference should be made to the notes on “payables”.

The principal leasehold improvements in process (equal to 9,749 thousand euros) include:

- new Alitalia warehouse at the Cargo City (2,470 thousand euros);
- upgrading of signage in front of the hangar at Ciampino airport (338 thousand euros);
- extraordinary runway maintenance at Ciampino (534 thousand euros);
- new passenger signage system in terminals (1,935 thousand euros).

The main leasehold improvements completed during the year (equal to 51,007 thousand euros) include:

- replacement of carpets in the transit gallery of Terminal C (340 thousand euros);
- new feed lines for baggage carousels at Terminal B (453 thousand euros);
- maintenance and incorporation of connecting runway “AVL” signage (702 thousand euros);

Intangible fixed assets 12.31.2007

	Cost	Amortization	Book value
Incorporation and development costs	672,577	(672,577)	0
Industrial patents and intellectual property rights	6,291,952	(3,996,497)	2,295,454
Concessions, licenses, trademarks and similar rights	2,195,678,576	(363,403,761)	1,832,274,814
Leasehold improvements in process and advances:			
– Leasehold improvements in process	39,177,654	0	39,177,654
– Advances to suppliers	2,630,990	0	2,630,990
	41,808,644	0	41,808,644
Others:			
– Leasehold improvements	452,923,691	(298,754,485)	154,169,206
– Ancillary charges for loans	53,383,947	(27,519,000)	25,864,947
	506,307,639	(326,273,485)	180,034,154
Total	2,750,759,387	(694,346,321)	2,056,413,066

NOTES TO THE FINANCIAL STATEMENTS - ADR SPA

- upgrading of air conditioning equipment at B11/B21 gate area of Terminal B (326 thousand euros);
- extraordinary maintenance of the filtering systems of the evaporation control systems (459 thousand euros);
- renovation of terminal rest rooms (583 thousand euros);
- maintenance of terminal air conditioning equipment (310 thousand euros);
- road and car park maintenance at Ciampino (209 thousand euros);
- unification of terminal access points (1,846 thousand euros);
- plant and civil engineering works at the West Pier (1,705 thousand euros);
- upgrading and implementation of flight infrastructure for runway 1 (32,865 thousand euros).

Once again in 2008, investment in airport infrastructure development was funded from increased boarding fees received during the year (in accordance with paragraphs 9 and 10 of art. 10, Law no. 537/93).

Changes during the year				12.31.2008		
Purchases/ Capitalization	Reclassifications	Disposals/ Retirements	Amortization	Cost	Amortization	Book value
0	0	0	0	672,577	(672,577)	0
954,482	202,355	0	(1,038,744)	7,448,789	(5,035,242)	2,413,547
2,074,545	661,290	0	(52,504,374)	2,198,413,462	(415,907,187)	1,782,506,275
9,749,343	(27,361,413)	0	0	21,565,584	0	21,565,584
80,902	(2,460,000)	0	0	251,892	0	251,892
9,830,245	(29,821,413)	0	0	21,817,476	0	21,817,476
51,007,045	20,353,720	0	(29,537,116)	524,284,222	(328,291,367)	195,992,855
425,208	0	0	(3,754,000)	53,809,155	(31,273,000)	22,536,155
51,432,252	20,353,720	0	(33,291,116)	578,093,377	(359,564,367)	218,529,010
64,291,524	(8,604,048)	0	(86,834,234)	2,806,445,681	(781,179,373)	2,025,266,308

Tangible fixed assets.

“Net tangible fixed assets” rose by 32,908 thousand euros primarily due to investment (43,061 thousand euros), reclassification of the item “other - leasehold improvements in process” as mentioned in the section on “tangible fixed assets” (8,685 thousand euros) and write-downs (357 thousand euros), partly offset by depreciation of (17,899 thousand euros) and disposals (582 thousand euros).

The most significant capitalizations during the period include:

- within the category “plant and machinery” (11,177 thousand euros), the acquisition of baggage screening and security equipment (1,765 thousand euros), security equipment (2,066 thousand euros), baggage transportation equipment (730 thousand euros) and communications and special airport equipment (1,845 thousand euros);
- within the category “fixed assets to be relinquished” (20,604 thousand euros), civil engineering works and

Tangible fixed assets	12.31.2007			
	Cost	Reval. Law 72/1983	Allowances for depreciation	Book value
Land and buildings	20,669,225	465,128	(18,031,547)	3,102,806
Plant and machinery	101,774,200	0	(64,230,208)	37,543,992
Industrial and commercial equipment	8,135,213	0	(6,556,330)	1,578,883
Fixed assets to be relinquished	164,111,289	1,907,796	(89,902,404)	76,116,680
Other assets	39,923,793	0	(35,733,030)	4,190,763
Work in progress and advances	16,437,400	0	0	16,437,400
Total	351,051,119	2,372,924	(214,453,519)	138,970,524

NOTES TO THE FINANCIAL STATEMENTS - ADR SPA

buildings (7,828 thousand euros) and equipment (2,847 thousand euros) regarding construction of the new Terminal 5; civil engineering works and buildings (5,565 thousand euros) regarding the new Office Tower and civil engineering works and buildings (1,373 thousand euros) regarding the new Kilo 3 building;

– within the category "tangible fixed assets in progress and advances" (8,610 thousand euros), the new Pier C – portion financed by ADR (2,910 thousand euros), works for the transfer of Alitalia's cargo activities to the common services building at Cargo City (749 thousand euros) and the new baggage handling system at the former Alitalia ex cargo building (995 thousand euros).

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, EIB and BIIS (formerly Banca OPI) – described in detail in the notes to "payables" – has been granted a lien (in the form of a mortgage ranking *pari passu* with other claims) on the plant, machinery and capital goods recorded at any time in the book of depreciable assets and ADR S.p.A.'s inventory. Such a guarantee is valid until the above loans have been fully repaid.

Changes during the year **12.31.2008**

Purchases/ Capitalization	Reclassifications	Disposals/ Retirements	Amortization	Cost	Reval. Law 72/1983	Allowances for depreciation	Book value
330,360	48,017	0	(467,076)	21,047,495	465,128	(18,498,516)	3,014,107
11,177,281	2,275,404	(582,157)	(7,661,383)	114,424,079	0	(71,670,942)	42,753,137
177,934	9,900	0	(512,202)	8,320,817	0	(7,066,302)	1,254,515
20,604,162	10,670,876	0	(7,203,875)	195,386,136	1,907,796	(97,106,088)	100,187,843
2,161,134	132,170	0	(2,054,396)	39,444,838	0	(35,015,167)	4,429,671
8,609,827	(4,807,976)	0	0	20,239,251	0	0	20,239,251
43,060,698	8,328,391	(582,157)	(17,898,932)	398,862,615	2,372,924	(229,357,015)	171,878,524

Equity investments held as non-current financial assets.

	12.31.2007	Changes during the year		12.31.2008
		Acquisitions/ Equity investments	Disposals/ Equity reimbursements	
Subsidiary undertakings:				
– Airport Invest B.V.	2,835,206	0	0	2,835,206
– ADR Engineering S.p.A - Unipersonale	593,926	0	0	593,926
– ADR Assistance S.r.l - Unipersonale	0	6,000,000	0	6,000,000
– ADR Tel S.p.A.	594,000	0	0	594,000
– ADR Advertising S.p.A.	255,000	0	0	255,000
– ADR Sviluppo S.r.l. - Unipersonale	100,000	0	0	100,000
	4,378,132	6,000,000	0	10,378,132
Associated undertakings:				
– La Piazza di Spagna S.r.l.	49,000	0	0	49,000
– Ligabue Gate Gourmet Roma S.p.A. (insolvent)	1	0	0	1
	49,001	0	0	49,001
Investments in other companies:				
– Alinsurance S.r.l.	6,198	0	0	6,198
– Aeroporto di Genova S.p.A.	929,622	464,814	0	1,394,436
– S.A.CAL. S.p.A.	1,306,569	0	0	1,306,569
– Leonardo Energia S.c.a r.l.	0	1,000	0	1,000
– Consorzio E.T.L.	10,329	0	0	10,329
	2,252,718	465,814	0	2,718,532
Total	6,679,851	6,465,814	0	13,145,665

The increase in “equity investments”, amounting to 6,466 thousand euros, breaks down as follows:

- 10 thousand euros deriving from subscription of 100% of the share capital of ADR Assistance S.r.l. - Unipersonale on incorporation of the company on June 23, 2008;
- 5,990 thousand euros deriving from subscription of the capital increase of ADR Assistance S.r.l. - Unipersonale approved by the General Meeting held on August 5, 2008;
- 465 thousand euros regarding the subscription by ADR S.p.A., in proportion to its shareholding (15%), of the capital increase of Aeroporto di Genova S.p.A. on January 14, 2008;
- 1 thousand euros deriving from subscription of 10% of the share capital of Leonardo Energia - Società consortile a r.l., which was incorporated on March 26, 2008.

For further information regarding such equity investments during 2008, reference should be made to the section “equity investments” in Management Report on Operations.

NOTES TO THE FINANCIAL STATEMENTS - ADR SPA

A comparison between the carrying amount and the value of shareholders' equity, determined on the basis of the equity method, is provided in the following table:

	Registered office	Share capital	Shareholders' equity at 12.31.2008	Net Income (Loss) 2008	Holding %	Corresponding book value of equity (A)	Book value (B)	Valuation art. 2426 no. 4 C.C. (C)	Surplus B-A	Surplus B-C
Subsidiary undertakings:										
– Airport Invest B.V.	Amsterdam (Holland)	101,040	3,602,369	99,656	100.0%	3,602,369	2,835,206	3,602,369	(767,163)	(767,163)
– ADR Engineering S.p.A. - Unipersonale	Fiumicino (Rome)	774,690	2,146,009	537,900	100.0%	2,146,009	593,926	(8,949,363)	(1,552,083)	9,543,289
– ADR Assistance S.r.l. - Unipersonale	Fiumicino (Rome)	6,000,000	5,346,655	(653,345)	100.0%	5,346,655	6,000,000	5,346,655	653,345	653,345
– ADR Tel S.p.A.	Fiumicino (Rome)	600,000	2,936,286	686,999	99.0%	2,906,923	594,000	1,974,176	(2,312,923)	(1,380,176)
– ADR Advertising S.p.A. (*)	Fiumicino (Rome)	1,000,000	2,020,045	776,967	25.5%	495,986	255,000	585,480	(240,986)	(330,480)
– ADR Sviluppo S.r.l. - Unipersonale	Fiumicino (Rome)	100,000	105,432	4,209	100.0%	105,432	100,000	105,432	(5,432)	(5,432)
Associated undertakings:										
– La Piazza di Spagna S.r.l.	Fiumicino (Rome)	100,000	88,665	(2,285)	49.0%	43,446	49,000	43,446	5,554	5,554
Total							10,427,132			

(*) Holding present in the stated capital (1,000,000 euros) of the Company (including preference shares). The shareholding present in the capital (500,000 euros) in equal to 51%.

The positive difference between the carrying amount of the equity investment in ADR Engineering S.p.A. - Unipersonale and the valuation under article 2426 of the Italian Civil Code primarily derives from the reversal of inter-company income realized by the Company from services provided to ADR S.p.A.. Such revenues, capitalized among fixed assets, are of a temporary nature. The positive difference regarding La Piazza di Spagna S.r.l. is due to the fact that the Company is not yet operational.

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, EIB and BIIS (formerly Banca OPI), has been granted a lien on the ADR's shareholdings in the subsidiary undertakings, ADR Tel S.p.A. and ADR Advertising S.p.A.. Moreover, ADR S.p.A. also undertook to establish a lien on the Company's shareholders in the newly incorporated ADR Assistance S.r.l. (in progress). Such guarantees are valid until the above loans have been fully repaid.

Receivables due and other items under non-current financial assets.

	12.31.2007	Changes during the year	12.31.2008
Receivables:			
– Due from others:			
– public bodies for licenses			
· public bodies for licenses	22,661	22	22,883
· other	692,024	(172,443)	519,581
Total	714,685	(172,221)	542,464

The reduction in “receivables” classified among non-current financial assets, amounting to 172 thousand euros, is due to payments of 318 thousand euros, partly offset by new receivables of 142 thousand euros and revaluation of the amount due from the Tax Authorities in relation to the payment of withholding tax on employee severance indemnities, as required by Law no. 662/1996. This item is classified under “other” and totals 4 thousand euros.

There are no receivables falling due beyond five years.

Current assets.

Inventory.

	12.31.2007	Changes during the year	12.31.2008
Raw, ancillary and consumable materials	2,817,101	95,793	2,912,894
Finished goods and goods for resale: goods for resale	8,298,091	44,362	8,342,453
	11,115,192	140,155	11,255,347
Contract work in progress	7,515,348	2,990,000	10,505,348
less accumulated write-downs	0	0	0
	7,515,348	2,990,000	10,505,348
Advances	113,439	(113,103)	336
Total	18,743,979	3,017,052	21,761,031

The increase in “inventory” compared with December 31, 2007 primarily derives from “contract work in progress”, which rose by 2,990 thousand euros due to the State-financed portion of the Pier C construction works.

The inventories of “goods for resale” (duty-free and directly managed shops) are substantially in line with the end of 2007 (up 44 thousand euros), despite an 8.3% increase in sales as a result of improved stock management.

Regarding stocks of finished goods and goods for resale, the intense inventories program concerning all categories of goods at shops managed by ADR S.p.A. at Fiumicino and Ciampino has continued, resulting in a gradual reduction of inventory losses.

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, EIB and BIIS (formerly Banca OPI), has been granted a lien (in the form of a mortgage ranking *pari passu* with other claims) on the raw materials, work in progress, stocks, finished goods, goods for resale and other goods forming part of ADR S.p.A.’s inventory. Such a guarantee is valid until the above loans have been fully repaid.

Current receivables.

	12.31.2007	Changes during the year		12.31.2008
		Increases (+)/ Repayments (-)	Provisions (-)/ Value recoveries (+)	
Due from clients	178,051,872	5,769,653	0	183,821,525
less allowance for doubtful accounts	(32,335,183)	5,367,228	(2,486,200)	(29,454,155)
less allowance for overdue interest	(8,070,191)	71,924	(93,692)	(8,091,959)
	137,646,498	11,208,805	(2,579,892)	146,275,411
Due from subsidiary undertakings	11,687,054	4,008,412	0	15,695,466
Due from associated undertakings	529,543	0	0	529,543
Due from parent companies	0	46,577	0	46,577
Due from tax authorities	2,090,942	733,105	0	2,824,047
Deferred tax assets	9,757,345	9,585,000	0	19,342,345
Due from others:				
– Sundry	51,509,226	(2,426,062)	0	49,083,164
– Advances to suppliers for services to be rendered	0	742,609	0	742,609
	51,509,226	(1,683,453)	0	49,825,773
Total	213,220,608	23,898,446	(2,579,892)	234,539,162

“Current receivables”, net of allowances for doubtful accounts, amount to 234,539 thousand euros, representing a net increase of 21,319 thousand euros compared with December 31, 2007. The principal changes are analyzed below.

“Due from clients”, net of allowances for doubtful accounts, amounts to 146,275 thousand euros and includes trade receivables due from clients and amounts due from Public Bodies deriving from financed works and the supply of utilities and services. The increase of approximately 8.6 million euros compared with December 31, 2007 derives from the effects of the special administration of the Alitalia group and, to a lesser extent, increased turnover.

As of December 31, 2008 receivables sold without recourse totaled 3.4 million euros (also 3.4 million euros as of December 31, 2007).

“Due from subsidiary undertakings”, totaling 15,695 thousand euros, increased by 4,008 thousand euros compared with December 31, 2007 due the combined effect of an increase in trade receivables and a decrease in financial receivables and accrued dividends. A breakdown of receivables due from subsidiary undertakings shows that 13,891 thousand euros derives from trading relations (8,948 thousand euros as of December 31, 2007), 706 thousand euros from financial relations (1,352 thousand euros as of December 31, 2007), and 1,098 thousand euros from other relations (1,387 thousand euros in 2007) deriving from accrued dividends.

For more information, reference should be made to the section “relations with parent companies and other related parties” in the Management Report on Operations.

“Due from associated undertakings”, amounting to 530 thousand euros, includes amounts due to ADR S.p.A. from the insolvent Ligabue Gate Gourmet Roma S.p.A., classified among preferential liabilities. No movements in such receivables were reported during the period.

“Due from Tax Authorities” increased by 733 thousand euros in 2008, primarily due to IRAP tax credit (539 thousand euros) and monthly VAT tax credit (up 179 thousand euros).

“Deferred tax assets”, totaling 19,342 thousand euros, registered an increase of 9,585 thousand euros with respect to December 31, 2007, primarily due to the reversal of deferred tax assets amounting to 7,446 thousand euros regarding accelerated depreciation, following the decision to align the differences between statutory and tax-related amounts deriving from the execution of off-balance sheet accelerated depreciation via payment of a substitute tax. For further information, reference should be made to the item “income taxes”.

The composition of deferred tax assets and changes during the year are shown in the following table (€/000):

	Balance at 12.31.2007		Increase		Decrease		Change rate previous year (D)	Balance at 12.31.2008		
	(A)		(B)		(C)			(A+B-C+D)		
Deferred tax assets:										
– Allowances for risks and charges	27.50% - 32.32%	18,823	5,782	4,552	1,383	3,101	878	(11)	20,272	6,276
– Accumulated inventory write-downs	32.32%	459	149	132	43	145	47	0	446	145
– Allowance for doubtful accounts	27.50%	31,429	8,644	1,535	422	4,457	1,226	0	28,507	7,840
– Provisions for personnel	27.50%	5,210	1,432	1,910	525	5,210	1,432	0	1,910	525
– Accelerated depreciation	32.32%	1,201	390	0	0	60	20	(1)	1,141	369
– Other	27.50% - 32.32%	2,749	860	14,018	3,891	1,668	526	(2)	15,099	4,223
Total deferred tax assets		59,871	17,257	22,147	6,264	14,641	4,129	(14)	67,375	19,378
Deferred tax liabilities:										
– Dividends	27.50%	(69)	(19)	(55)	(15)	(69)	(19)	0	(55)	(15)
– Gains	32.32%	(114)	(35)	0	0	(43)	(14)	0	(71)	(21)
– Accelerated depreciation (reversal of tax-related entries)	32.32%	(6,772)	(2,195)	0	0	(6,772)	(2,195)	0	0	0
– Accelerated depreciation	32.32%	(16,211)	(5,251)	0	0	(16,211)	(5,251)	0	0	0
Total deferred tax liabilities		(23,166)	(7,500)	(55)	(15)	(23,094)	(7,479)	0	(126)	(36)
Total		36,705	9,757	22,092	6,249	(8,454)	(3,350)	(14)	67,250	19,342
Net deferred tax (assets) liabilities to Income Statement						9,585				

NOTES TO THE FINANCIAL STATEMENTS - ADR SPA

“Amounts due from others: sundry” decreased by 2,426 thousand euros, mainly due to the reduced liquidity deposited in the term current account denominated the “Debt Service Reserve Account” (down 2,314 thousand euros) in accordance with obligations set out in current loan agreements.

The balance of the term current account in the name of the Security Agent for ADR S.p.A.’s loans, denominated the “Debt Service Reserve Account”, amounted to 45,416 thousand euros as of December 31, 2008. In accordance with the procedures established in the relevant agreement, ADR S.p.A. has deposited a sum in this account to guarantee repayment of the loans.

As security for the loans governed by agreements with Romulus Finance S.r.l., ADR S.p.A. has granted a syndicate of banks including EIB and BIIS (formerly Banca OPI) the following liens. Such guarantees are valid until the above loans have been fully repaid:

- a lien (in the form of a mortgage ranking *pari passu* with other claims) on all receivables deriving from the sale of plant, machinery and capital goods and rights constituting ADR S.p.A.’s inventory, as well as other goods and rights subject to liens;
- a lien on all receivables and contracts with clients regarding ADR Tel S.p.A. and ADR Advertising S.p.A. and insurance policies.

“Amounts due” as of December 31, 2008 (234,539 thousand euros) comprise 160,213 thousand euros of trade receivables, 46,642 thousand euros in the form of financial receivables, and 27,684 thousand euros of other receivables. There are no promissory notes or similar bills.

The following table shows a geographical breakdown of the Company’s trade receivables (€/000):

	Italy	Other EU Countries	Rest of Europe	Africa	America	Asia	Total
Clients	139,816	5,001	956	152	123	227	146,275
Parent companies	47	0	0	0	0	0	47
Subsidiary undertakings	13,891	0	0	0	0	0	13,891
Total	153,754	5,001	956	152	123	227	160,213

There are no receivables falling due beyond five years or receivables subject to exchange rate risk.

Cash on hand and in banks.

	12.31.2007	Changes during the year	12.31.2008
Bank and post office deposits	157,390,127	(20,612,755)	136,777,372
Checks	0	0	0
Cash and notes in hand	1,143,033	(261,029)	882,004
Total	158,533,160	(20,873,784)	137,659,376

The Company's "cash on hand and in banks" decreased by 20,874 thousand euros in 2008, primarily due to ADR S.p.A.'s repayment of a portion of medium/long term borrowings, net of the EIB loan, amounting to 19.2 million euros.

Bank deposits include the balance of the account provided for under ADR S.p.A.'s loan agreements, denominated "Recoveries Account". Any liquidity deriving from extraordinary operations is required to be deposited in this account. Consequently, in 2006 the amount collected from the sale of the equity investment in Flightcare Italia S.p.A. (formerly ADR Handling S.p.A.) was deposited in this account, net of related expenses; this liquidity had been allocated to financing ADR's investments. As of December 31, 2008, the balance in the account amounted to 11.1 million euros (15.3 million euros as of December 31, 2007).

As security for the loans governed by agreements with Romulus Finance S.r.l., ADR S.p.A. has granted a syndicate of banks, EIB and BIIS (formerly Banca OPI) a lien on all the Company's current accounts governed by a specific agreement "Account Bank Agreement". Such a guarantee is valid until the above loans have been fully repaid.

As of December 31, 2008, 48.3 million euros was held in an ADR S.p.A. current account that is not subject to a lien. This amount derives from "free" cash flow generated in the previous years, and may therefore be used for the payment of dividends under ordinary circumstances.

Accrued income and prepaid expenses.

	12.31.2007	Changes during the year	12.31.2008
Prepaid expenses:			
– Service costs	1,389,602	(888,454)	501,148
– Leased assets	750	0	750
– Payroll costs	19,082	11,044	30,126
– Other operating costs	5,897	106,935	112,832
– Financial charges	3,081,234	290,370	3,371,604
Total	4,496,565	(480,105)	4,016,460

One of the most significant items is represented by "financial charges" consisting of prepayment installments, not due for the period, of the following premiums:

- 3,254 thousand euros for the monoline insurance paid to AMBAC Assurance UK, which has secured the bonds issued by Romulus Finance S.r.l. that correspond to Facility A;
- 118 thousand euros paid to BIIS, the bank that has secured the loan granted to ADR S.p.A. by the EIB.

Shareholders' equity.

Changes in "shareholders' equity" during 2008 are analyzed below:

	Share capital (a)	Share premium reserve	Revaluation reserves	Legal reserve	Statutory reserves	Reserve for own shares	Reserve for share issues (art. 2349 Italian Civil Code)	Available reserves	Retained earnings	Net income for the year	Total	
<i>(a) Including: no. 62,309,801 ordinary shares (with a unit value of 1 euro).</i>												
Balance as of 12.31.2005	62,309,801	667,389,495		0	12,461,960	0	0	0	416,300	4,259,073	85,528,397	832,365,026
Allocation of net income:												
– distribution of dividends (1,13 euros per share)										(70,410,076)	(70,410,076)	
– allocation of reserve									15,118,321	(15,118,321)	0	
Other changes											0	
Net income for the year										35,975,352	35,975,352	
Balance as of 12.31.2006	62,309,801	667,389,495		0	12,461,960	0	0	0	416,300	19,377,394	35,975,352	797,930,302
Allocation of net income:												
– distribution of dividends (0,57 euros per share)										(35,516,586)	(35,516,586)	
– allocation of reserve									458,766	(458,766)	0	
Other changes:												
– distribution of dividends (0,24 euros per share)										(14,954,352)	(14,954,352)	
Net income for the year										18,932,493	18,932,493	
Balance as of 12.31.2007	62,309,801	667,389,495		0	12,461,960	0	0	0	416,300	4,881,808	18,932,493	766,391,857
Allocation of net income:												
– allocation of reserve										18,932,493	(18,932,493)	
Other changes											0	
Net income for the year										(7,047,940)	(7,047,940)	
Balance as of 12.31.2008	62,309,801	667,389,495		0	12,461,960	0	0	0	416,300	23,814,301	(7,047,940)	759,343,917

The ADR S.p.A.'s "share capital" amounts to 62,309,801 euros, represented by 62,309,801 shares with a par value of 1 euro each.

On May 7, 2004, pursuant to article 5 of the Company's By-laws, the Board of Directors approved a capital increase in the form of a scrip issue, raising the share capital from 62,224,743 to 62,309,801 euros. Such increase was carried out via the issue of 85,058 ordinary shares with a par value of 1 euro each, and the transfer to share capital of a corresponding sum of 85,058 euros from the "reserve for share issues pursuant to art. 2349 of the Italian Civil Code".

The shares corresponding to this increase in share capital have not yet to be issued and allocated.

The decrease of 7,048 thousand euros reflects the net loss reported in 2008, and the distribution of net income plan for 2007, which was approved by the General Meeting of April 16, 2008 and allocated 18,932 thousand euros to retained earnings.

The following statement shows movements in shareholders' equity during the year and a breakdown of available and distributable reserves:

	Amount	Potential use	Available portion	Summary of uses in previous years 2006-2008	
				to cover losses	other reasons
Share capital	62,309,801				
Capital reserves:					
– <i>Reserve for share issues</i>	667,389,495	(*) A, B, C	667,389,495		
Retained profit reserves:					
– <i>Legal reserve</i>	12,461,960	B			
– <i>Available reserve</i>	416,300	A, B, C	416,300		
– <i>Retained earnings</i>	23,814,301	A, B, C	23,814,301		(14,954,352)
Total share capital and reserves	766,391,857		691,620,096		
Undistributable portion (ex art. 2426, no. 5)			0		
Remaining distributable portion			691,620,096		
Untaxed portion subject to restriction covering negative income components deducted off-balance-sheet, net of deferred tax liabilities			0		
Remaining tax-exempt portion			691,620,096		

^(*) *Entirely distributable
in order to reach limit
established by art. 2430
of Italian Civil Code.*

Legend:
A: to increase capital;
B: to cover losses;
C: to pay dividends.

The available portion of reserves may be fully distributed without incurring tax expense. In 2008 ADR S.p.A. exercised the option provided for by the new regulations introduced by the 2008 Finance Act to pay a substitute tax for direct taxes (IRES and IRAP) amounting to 3,377 thousand euros in order to align the differences between statutory and tax-related amounts deriving from the execution of off-balance sheet accelerated depreciation.

Allowances for risks and charges.

	12.31.2007	Changes during the year		12.31.2008
		Provisions	Releases	
Other:				
– Current and potential disputes	22,774,638	1,331,000	(1,067,540)	23,038,098
– Insurance deductibles	1,291,761	0	(193,085)	1,098,676
– Restructuring	751,000	0	(751,000)	0
– Fixed assets to be relinquished	4,810,000	390,000	0	5,200,000
Total	29,627,399	1,721,000	(2,011,625)	29,336,774

“Allowances for risks and charges”, totaling 29,337 thousand euros, decreased by 290 thousand euros compared with December 31, 2007.

The most important changes are analyzed below:

- the “allowance for current and potential disputes” reports a net increase of 263 thousand euros, due to the combined effect of provisions of 1,331 thousand euros made in order to provide cover for likely potential liabilities and releases carried out in order to settle disputes with customers, contractors and personnel;
- releases from the “allowance for restructuring” amounting to 751 thousand euros were made for personnel leaving the Company during the period, in implementation of the Company’s restructuring program launched in 2005.

Employee severance indemnities.

Balance as of 12.31.2007	36,377,465
Changes during the year:	
– Provisions charged to the Income Statement	6,117,922
– Releases to pay indemnities	(795,792)
– Releases to pay advances	(1,493,733)
– Transfers of personnel	51,027
– Amounts allocated to social security allowances or to the Treasury Fund	(4,568,296)
– Other	97,069
Balance as of 12.31.2008	35,785,662

“Employee severance indemnities” report a net decrease of 592 thousand euros for the period, compared with provisions of 6,118 thousand euros. This primarily reflects releases for indemnities paid and advances, amounting to 2,290 thousand euros, and an amount of 4,568 thousand euros for indemnities accrued during the period paid into pension funds or to the Treasury Fund set up at INPS.

Supplementary pension reform, pursuant to Decree Law no. 252/2005, has been implemented since January 1, 2007. This reform enables the personnel of private companies with more than 50 employees to allocate their accrued employee severance indemnities to a form of supplementary pension fund or to keep them deposited with the company. In the latter case, the company pays employee severance indemnities into a fund set up at INPS, in accordance with the implementing Decree of January 30, 2007, denominated Allowance for employee severance indemnities or Treasury Fund.

Payables.

	12.31.2007	Changes during the year	12.31.2008
Due to banks	249,231,349	45,584,708	294,816,057
Due to other financial institutions	1,279,659,251	(65,733,669)	1,213,925,582
Advances:			
a) from the Ministry of Transport	5,048,106	0	5,048,106
b) from clients	4,531,198	4,027,810	8,559,008
	9,579,304	4,027,810	13,607,114
Due to suppliers	129,970,753	8,072,015	138,042,768
Due to subsidiary undertakings	14,932,635	5,020,827	19,953,462
Due to associated undertakings	1,002,980	0	1,002,980
Due to parent companies	14,106,960	5,686,055	19,793,015
Taxes due	20,251,372	11,994,445	32,245,817
Due to social security agencies	6,546,613	(1,330,433)	5,216,180
Other payables: sundry creditors	34,960,256	5,269,951	40,230,207
Total	1,760,241,473	18,591,709	1,778,833,182

The Company’s “payables” rose by 18,592 thousand euros during the period. The principal reasons for such a change are analyzed below.

“Amounts due to banks”, totaling 294,816 thousand euros, include:

– 293,350 thousand euros representing the principal on long-term lines of credit granted to ADR S.p.A. denominated “Term Loan Facility” (170,000 thousand euros), “BOPI Facility”, (43,350 thousand euros and “EIB Term Loan” (80,000 thousand euros);

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- 1,466 thousand euros of amounts due from ADR S.p.A. for interest, commissions and swap differentials accrued during the period but not yet settled.

The increase of 45,585 thousand euros compared with December 31, 2007 derives from the combined effect of the following changes:

- the granting of an 80,000 thousand euros loan called the “EIB Term Loan” on May 27, 2008 by the EIB (European Investment Bank); the loan is secured by BIIS;
- early repayment of 21,400 thousand euros of the “Term Loan Facility” on March 20, 2008;
- early repayment of 12,750 thousand euros of the line of credit “BOPI Facility”, also on March 20, 2008;
- a reduction of 265 thousand euros in the amounts due as interest, commissions and swap differentials accrued during the period, but not yet settled.

The characteristics of these loans are listed in the following table:

Lender	Facility Loan	Amount (millions of euros)		Interest rate	Repayment	Life	Maturity date
		Granted	Used				
Syndicate of banks	Term Loan Facility	170.00	170.00	floating rate linked EURIBOR + margin	bullet	6 years	feb. 2012
	Revolving Facility	100.00	0.00	floating rate linked EURIBOR + margin	revolving	6 years	feb. 2012
		270.00	170.00				
Banca BIIS	BOPI Facility	43.35	43.35	floating rate linked EURIBOR + margin	after 5 years in six-monthly installments	12 years	mar. 2015
BEI	EIB Term Loan	80.00	80.00	floating rate linked EURIBOR + margin	bullet	10 years	feb. 2018
Total		393.35	293.35				

The long-term line of credit denominated the “Term Loan Facility” and the “Revolving Facility” were granted on September 20, 2005 by a syndicate of banks with the mandated lead arrangers comprising Barclays Capital, Calyon S.A., Mediobanca - Banca di Credito Finanziario S.p.A., Unicredit Banca Mobiliare S.p.A. and WestLB AG.

Regarding the line of credit denominated the “Term Loan Facility”, initially worth 290,000 thousand euros, an amount of 98,600 thousand euros was repaid on September 20, 2006 and an amount of 21,400 thousand euros was repaid on March 20, 2008, thereby reducing the loan to 170,000 thousand euros.

On November 21, 2007, at the request of ADR S.p.A., the line of credit denominated the “Revolving Facility” was reduced from the initial 200,000 thousand euros to 100,000 thousand euros, in line with projected cash flows, resulting in a reduction in the cost of borrowing.

The line of credit denominated the “BOPI Facility” was granted on February 19, 2003 by Banca OPI (as of January 1, 2008 the bank’s name was changed to BIIS - Banca Infrastrutture Innovazione e Sviluppo) and guaranteed by CDC IXIS Financial Guaranty Europe. This line of credit, which was initially granted for an amount of 85,000 thousand euros, was reduced to 43,350 thousand euros following advance repayment of an amount of 28,900 thousand euros on September 20, 2006, and of an amount of 12,750 thousand euros on March 20, 2008, corresponding to the installments falling due, according to the terms of the contract, in September 2008, in March and September 2009.

“Amounts due to other financial institutions” total 1,213,926 thousand euros. The item includes the principal of 1,200,019 thousand euros due from the Company to Romulus Finance S.r.l. and 13,907 thousand euros consisting of interest accrued on the above-mentioned loans and not yet paid.

The decrease of 65,734 thousand euros compared with December 31, 2007 is due to:

- the advanced repayment of 65,000 thousand euros of “Loan B” granted by Romulus Finance S.r.l. on March 20, 2008;
- the decrease of 734 thousand euros in the interest component.

It should be recalled that the loan granted by Romulus Finance in February 2003 arose from the transfer without recourse to Romulus Finance S.r.l. of the amount due to ADR S.p.A.’s original lenders for loans taken out in August 2001. Romulus Finance, a vehicle established pursuant to Law no. 130/1999 on securitization and controlled by two Dutch foundations, financed acquisition of the pre-existing bank loan to ADR S.p.A. via the issue of asset-backed bonds amounting to 1,265 million euros, to be listed on the Luxembourg Stock Exchange and subscribed by institutional investors.

After the above-mentioned repayment of “Loan B”, the loan from Romulus Finance S.r.l. breaks down into four lines of credit, summarized in the table below. The conditions reflect those of the bonds issued by Romulus Finance S.r.l. to finance the purchase of amounts due to ADR’s creditor banks:

Lender	Facility Loan	Amount (millions of euros)	Interest rate	Repayment	Life	Maturity date
Romulus Finance S.r.l.	A1	500	fixed	bullet	10 years	feb. 2013
	A2	200	floating rate linked EURIBOR + margin	bullet	12 years	feb. 2015
	A3	175	floating rate linked EURIBOR + margin	bullet	12 years	feb. 2015
	A4	325	floating rate linked EURIBOR + margin up to 12.20.2009 and after fixed rate	bullet	20 years	feb. 2023
Total		1,200				

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The bonds issued by Romulus Finance regarding Classes A1, A2, A3 and A4 are secured by the monoline insurance company, AMBAC Assurance UK Limited, and consequently have the same rating as AMBAC (currently Baa1 from Moody's and A with negative outlook from Standard & Poor's).

The level of ADR's rating affects the amount of the premium paid to AMBAC for the surety on the bonds, but not on the interest rate applied to each class of bond.

Hedging policy.

The hedging policy established within the framework of loan agreements with the banks and with Romulus Finance S.r.l. requires that at least 51% of the debt is fixed rate (58.2% at fixed rate as of December 31, 2008).

In accordance with this policy, the following Interest Rate Swap agreements were entered into by ADR S.p.A. in 2001, with the aim of hedging the interest rate risk associated with a portion of the loan. Such Interest Rate Swaps – the counterparties for which in February 2003 are Mediobanca - Banca di Credito Finanziario S.p.A., Barclays, UBM (after HVB), Royal Bank of Scotland and Deutsche Bank – are based on a notional capital of 864 million euros and mature on October 2, 2009.

On October 1, 2004 ADR entered into Interest Rate Swap agreements with a number of the above counterparties (Mediobanca - Banca di Credito Finanziario S.p.A., Barclays and Royal Bank of Scotland). The swaps are based on a total notional capital of 468 million euros up to 2007 and 495 million euros up to 2009. On the basis of the agreements, ADR S.p.A. receives a fixed rate of 3.3% and pays a floating rate capped at 6.0%. This transaction enables ADR S.p.A. to balance its exposure to fixed and floating rates, fixing the maximum risk that may be incurred.

Finally, on May 16, 2006, ADR S.p.A. signed two Interest Rate Collar Forward Start contracts with Barclays and Royal Bank of Scotland, with a notional capital of 120 million euros each, on the basis of which ADR S.p.A. will receive a floating 3-month Euribor rate and pay a floating 3-month Euribor rate with a cap of 5.0% and a floor of 3.64% from October 2, 2009 until February 20, 2012.

On December 18, 2006 the Interest Rate Swaps with a notional capital of 864 million euros entered into in 2001 were renegotiated.

In particular, the fixed rate paid by ADR S.p.A. (3.891%) was realigned to the market rate up to the original date of maturity (2009) following payment of the market value of the related instruments (27.4 million euros). This initiative has made it possible to reduce the average cost of debt by almost one percentage point in the three-year period 2007-2009.

As of December 31, 2008, the fair value of the swap agreements entered into in 2001 and renegotiated in 2006 is a

negative 9.4 million euros, whilst the fair value of the swaps entered into in 2004 is a positive 2.9 million euros. The fair value of the above-mentioned collar contracts entered into in May 2006 is a negative 3.9 million euros.

The characteristics of outstanding swaps are listed below (€/000):

	Notional	Fair value derivates as at 12.31.2008	Purpose of the derivates	Financial risk	Financial debt hedged
IRS of 2001 renegotiated in 2006 (CASH-FLOW HEDGE)	864,000	(9,430)	Hedging	Interest rate	864,000
IRS of 2004 (FAIR VALUE HEDGE)	495,000	2,936	Hedging	Interest rate	495,000
COLLAR FWD START of 2006 (CASH-FLOW HEDGE)	240,000	(3,898)	Hedging	Interest rate	240,000
Total		(10,392)			

The financial liability hedged refers to a portion of “amounts due to other financial institutions” and a portion of “amounts due to banks”.

The effects of the Interest Rate Swap agreements on the Income Statement for the period are shown in the Notes on “financial income and expense”.

Guarantees.

The bank loans and the loan from Romulus Finance S.r.l. are guaranteed, as described in detail in the individual balance sheet items, by:

- a lien (in the form of a mortgage) on the plant, machinery, capital goods and goods constituting ADR S.p.A.’s inventory, as well as any receivables deriving from the sale of such assets;
- a lien on all receivables and contracts with clients, and with ADR Tel S.p.A. and ADR Advertising S.p.A. and insurance policies;
- a lien on all of ADR S.p.A.’s bank current accounts;
- a lien on ADR S.p.A.’s shareholdings in ADR Tel S.p.A. and ADR Advertising S.p.A.. Moreover, ADR S.p.A. also undertook to establish a lien on the Company’s shareholders in the newly incorporated ADR Assistance S.r.l. (in progress);
- “ADR Deed of Charge” (a lien under British law on loans, hedging agreements and insurance policies governed by British law).

Commitments and covenants.

A large number of contractual regulations govern the management of ADR’s borrowings, partly due to their size, and also because of AMBAC’s requirement to protect the risk of non-compliance and insolvency on the part of ADR,

thereby seeking to minimize the actual difference between the maximum rating insured and the rating of the issuer/debtor. Such regulations include:

- financial assets may only be acquired with the permission of creditors or via a “non-recourse vehicle”, and in any case only using authorized borrowing or liquidity;
- income from the sale of financial assets may be used for investment or, if not used within 12 months of collection, must be used to repay borrowings;
- dividends may only be distributed if specific financial ratios exceed contractually pre-established thresholds, and if no events of default or trigger events have occurred;
- further loans may only be undertaken if the above financial ratios exceed determined thresholds (higher than those required under normal lending conditions) and if the rating awarded to ADR is greater than pre-defined minimum levels;
- if a maturing line of credit is not repaid at least 12 months before the maturity date, any surplus cash flow generated during this period must be allocated on a priority basis (based on defined proportions) to the repayment of borrowing, which is known as a retention regime. However, if determined financial ratios are not met 24 months ahead of maturity, a 24-month retention regime may come into force;
- if the financial ratios are below certain predetermined minimum thresholds, or if the rating is below sub-investment grade levels, or if other specific contractually defined critical situations occur, further restrictive measures relating to cash flow management are set in motion in order to protect creditors from the risk of default by ADR S.p.A..

The principal covenants included in the current loan agreements consist of ratios, defined on the basis of final and forecast data, which measure: (i) the ratio between available cash flow and debt servicing, (ii) the ratio between discounted future cash flows and net debt, and (iii) the ratio between net debt and gross operating income.

These ratios are checked twice per year, on the application dates of March 20 and September 20, by applying the calculation methods of the respective ratios to the relative data at December 31 and June 30.

If these ratios are above specific levels, dividends may be paid and further borrowing undertaken; if on the other hand, the ratios fall below specific thresholds, a trigger event or an event of default may occur.

A trigger event results in a series of operating restrictions for ADR, especially the following:

- a) a cash sweep with an obligation to use all available cash flow on the application dates (March 20 and September 20 each year) (i) to pay interest rate installments; (ii) to repay all ADR's creditors on a *pari passu* basis; and (iii) the Romulus bonds that may not be repaid in advance should be secured via the establishment of specific cash reserves held in specific current accounts serving as a lien for AMBAC (so-called cash collateralization);

- b) an embargo on the payment of dividends and prohibition of the use of such funds to carry out authorized investments;
- c) the right of creditors, via the Security Agent, to obtain any information deemed necessary and to take part in devising a recovery plan and the related implementation schedule by hiring an independent expert to take part in drawing up the business plan containing the measures and remedies designed to restore an acceptable rating. Failure to implement the recovery plan could give AMBAC the right to increase the premium on the guarantee issued on the Romulus bonds;
- d) prohibition of the acquisition of financial assets and of taking out new loans, even if they are designed to repay existing borrowings;
- e) the pledge of all cash amounts due to ADR as security for creditors, with the consequent notification of the debtors concerned.

In September ADR formalized financial ratios based on the results for the first half of 2008. These ratios were above the minimum levels required to maintain the Company's ordinary operating conditions, except for the possibility to increase gross borrowing, which in any case was already prohibited by the trigger event that has affected ADR since the downgrading of its rating by Standard & Poor's on November 30, 2007 (from BBB "stable" to BBB- "stable").

Trigger event.

The downgrading of ADR's rating by Standard & Poor's on November 30, 2007 (from BBB "stable" to BBB- "stable") set off the restrictive condition of a trigger event.

ADR S.p.A. immediately activated all possible initiatives to ensure a rapid return to a satisfactory rating.

In this respect, the lenders agreed to waive the cash sweep restriction and the need for the Company to pledge all cash amounts due to it as security, with the consequent notification of the debtors concerned. Waivers were obtained for both the application dates of March 20, 2008 and September 20, 2008. The lenders also agreed to refinance the Class B bonds issued by Romulus, resulting in a substantial reduction in annual financial expense, and an extension of the average term to maturity of the loan.

ADR reached agreement with lenders to waive the restriction on the use of liquidity, as described above, and the need to notify debtors that amounts payable to the Company have been pledged as security. Waivers were obtained for both the application dates of March 20, 2008 and September 20, 2008.

Standard & Poor's downgrading of ADR's rating on November 7, 2008 (from BBB- to BB+) had no new effect on the cash sweep, although it did lead to a rise in the cost of borrowing, which according to estimates amounts to an annual increase of around 2.7 million euros.

Without a further waiver, the cash sweep restriction will be applied on the application date of March 20, 2009.

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Whilst awaiting confirmation of the waiver regime authorized during the previous year, following the latest downgrading by Standard & Poor's on November 7, 2008 of ADR S.p.A.'s rating to "sub-investment grade" (BB+), on December 12, 2008 ADR S.p.A. requested a new waiver from its lenders. The outcome of this request, aimed at extending the pre-existing waiver in respect of the trigger event, is described in the section "subsequent events".

"Amounts due to suppliers" rose by 8,072 thousand euros due to the greater volume of investment carried out compared with 2007 and higher costs for acquiring goods and services.

"Amounts due to subsidiary undertakings" rose by 5,021 thousand euros, primarily due to an increase in trade payables.

A breakdown of receivables due from subsidiary undertakings shows that 14,798 thousand euros derives from trading relations (11,290 thousand euros as of December 31, 2007) and 5,155 thousand euros from financial relations (3,643 thousand euros as of December 31, 2007).

For more information on amounts due to subsidiary undertakings, reference should be made to the section "relations with parent companies and other related parties" in the Management Report on Operations.

"Amounts due to parent companies" include trade payables amounting to 10 thousand euros and amounts due to Gemina S.p.A. for tax consolidation totaling 19,783 thousand euros. The increase of 5,686 thousand euros compared with the end of the previous year primarily derives from estimated IRES for the period. For more information, reference should be made to the section "relations with parent companies and other related parties" in the Management Report on Operations.

The item "taxes due", amounting to 32,246 thousand euros, was up 11,995 thousand euros on the previous year. The principal changes include: greater amounts due for substitution tax (2,364 thousand euros) and to Tax Authorities as municipal surcharge on passenger fees (up 10,698 thousand euros), partly offset by a reduction of 916 thousand euros in the amounts due for IRAP.

In this regard, it should be remembered that ADR S.p.A. began charging carriers this surtax from June 1, 2004 at the rate of 1 euro, which was subsequently increased to 2 euros from April 2005, pursuant to Law no. 43 of March 31, 2005. This rate was increased by an additional 50 cents, bringing it up to a total of 2.50 euros, from January 1, 2007, in compliance with the provisions of Law no. 296 of December 27, 2006 (the Finance Act for 2007), and by an additional 2 euros from November 2008, pursuant to Decree Law no. 134/2008, making a total of 4.50 euros.

The amount due to Tax Authorities as municipal surcharge on passenger fees totaled 27,248 thousand euros as of December 31, 2008. The increase of 10,698 thousand euros compared with the end of the previous year is primarily

due to the above-mentioned 2-euro increase as of November 2008, and the non-collection of amounts due from Alitalia before the airline went into special administration.

“Other payables: sundry creditors” rose by 5,270 thousand euros, primarily due to the effect of the greater amount due for the cost of the fire prevention and fire fighting service (7,932 thousand euros), partly offset by a reduction in amounts due to staff (down 2,822 thousand euros).

In summary, as of December 31, 2008 total “payables” of 1,778,833 thousand euros include 1,513,897 thousand euros of a financial nature, 167,417 thousand euros of trade payables and 97,519 thousand euros of sundry items.

A breakdown of the Company’s trade payables by geographical area is not provided as it is not significant given the limited amount due to overseas creditors (7 million euros out of a total of 167.4 million euros).

Payables secured by collateral on the Company’s assets amount to 1,508,742 thousand euros (as described in the paragraph regarding “amounts due to banks and other financial institutions”).

Payables falling due beyond five years amount to 789,369 thousand euros and regard amounts due to banks totaling 89,350 thousand euros (the loan from Banca BIIS of 9,350 thousand euros and the EIB loan of 80,000 thousand euros) and amounts due to other financial institutions totaling 700,019 thousand euros.

Payables in currency exposed to exchange rate risks total 6 thousand euros and refer to services supplied.

Accrued expenses and deferred income.

	12.31.2007	Changes during the year	12.31.2008
Accrued expenses:			
– Sub-concessions and license fees	4,188,129	(1,668,348)	2,519,781
– Other services	946,115	2,043,559	2,989,674
Total	5,134,244	375,211	5,509,455

Notes to the Memorandum Accounts.

General guarantees.

	12.31.2008			12.31.2007		
	Secured receivables	Unsecured receivables	Total	Secured receivables	Unsecured receivables	Total
Sureties:						
– In the interest of third parties	0	110,522	110,522	0	110,522	110,522
– In the interest of subsidiary undertakings	0	0	0	0	0	0
Other:						
– In favor of clients	0	154,839	154,839	0	178,580	178,580
– In the interest of subsidiary undertakings	0	507,841	507,841	0	507,841	507,841
Total	0	773,202	773,202	0	796,943	796,943

Commitments on purchases and sales.

	12.31.2008	12.31.2007
Commitments on purchases:		
– Investments:		
· due from subsidiary undertakings	12,332,960	4,325,763
· electronic equipment	173,064	704,901
· maintenance and services	1,954,079	3,879,816
· vehicles and equipment	0	1,800
· self-financed works	100,407,743	103,411,142
	114,867,846	112,323,422
Commitments on sales	0	0
Total	114,867,846	112,323,422

Regarding “commitments on purchases”, on February 28, 2003 ADR S.p.A. granted IGPDecaux S.p.A. a put option on its holding in ordinary and preference shares in ADR Advertising S.p.A.. Such option is exercisable from the date of approval of the Financial Statements of ADR Advertising S.p.A. as of December 31, 2004 until December 31, 2011, on the occurrence of specific conditions. As the exercise price is equal to the pro rata book value of shareholders’ equity, it may not be quantified.

Commitments on purchases also include ADR S.p.A.’s commitment, as an operator of airport infrastructures, to draw

up and implement noise reduction and abatement plans, as required by noise pollution legislation (Law no. 477/1995) and the Ministerial Decree of November 29, 2000.

To this end ADR S.p.A. is currently assessing whether or not the relevant limits have been exceeded, and if so will proceed with preparation of the necessary noise reduction and abatement plans.

Such commitments are difficult to quantify and are, by necessity, be determined on the basis of interpretations, given that there are no specific indications of the activities to be considered as "maintenance" and "extension" of infrastructures, which form the basis for calculation pursuant to Law no. 447/1995 (the Framework Law on noise pollution).

In view of the above, ADR S.p.A., based on available estimates at the balance sheet date, judges its overall commitment to be no more than approximately 18 million euros. This sum is thus conditional on subsequent events and on the effective program of works to be carried out. The Company believes that future works will qualify as capital expenditure.

In the Management Report on Operations, the measures that ADR S.p.A. has implemented, with a view to alleviating the acoustic impact generated by aircraft in the vicinity of the airport, are listed in the section on "environmental protection".

The agreements on the sale of the equity investment in Flightcare Italia S.p.A. (formerly ADR Handling S.p.A.), entered into on November 3, 2006, provide for a price adjustment of up to 12.5 million euros. Of this, the amount deemed most probable to arise was charged to the Income Statement under extraordinary items in the years 2006-2008 with a contra-entry in allowances for risks and charges totaling around 3.4 million euros as of December 31, 2008. The remaining amount, currently deemed unlikely to be incurred, will be re-assessed in future years.

Finally, a series of Interest Rate Swap contracts aimed at hedging interest rate risk on current loans have been entered into. For further information reference should be made to the Notes to "payables".

Other memorandum accounts.

	12.31.2008	12.31.2007
General guarantees received:		
– Sureties	122,345,695	100,268,691
	122,345,695	100,268,691
Third party assets in free loan, deposited in custody, leased or similar:		
– Leased assets	47,503	49,219
– CAA - plant and equipment at Fiumicino	119,811,701	119,811,701
– CAA - plant and equipment at Ciampino	29,293,608	29,293,608
– Works carried out on behalf of the State	668,060,840	668,060,840
	817,213,652	817,215,368
Goods in process deposited with third parties	0	0
Other matters in question:		
– Assets leased to subsidiary undertakings	93,223	93,223
	93,223	93,223
Commitments to other companies	0	0
Total	939,652,570	917,577,282

“Third party assets in free loan, deposited in custody, leased or similar” include the value of assets received under concession at Fiumicino and Ciampino airports and the value of the work financed, completed and invoiced to the Civil Aviation Authority.

“Assets leased to subsidiary undertakings” include the value of the intangible and tangible fixed assets (93 thousand euros) that form part of the “advertising” division leased by ADR S.p.A. to the subsidiary undertaking, ADR Advertising S.p.A., as reported in the division’s balance sheet prepared on February 28, 2003. The above division also includes net payables due to personnel (severance indemnities, vacation pay, etc.) and social security agencies (294 thousand euros), which were settled by the parties in cash.

Notes to the Income Statement.

Total revenues.

Revenues.

	2008	2007	Change
REVENUES FROM SALES			
Non-aviation activities:			
– Duty free and duty paid	82,841,814	76,506,733	6,335,081
– Other	4,440,785	3,387,892	1,052,893
	87,282,599	79,894,625	7,387,974
REVENUES FROM SERVICES			
Aviation activities:			
– Fees	165,313,382	155,872,927	9,440,455
– Handling	0	16,858,096	(16,858,096)
– Security	63,080,898	64,511,980	(1,431,082)
– Centralized infrastructures	36,450,523	35,001,873	1,448,650
– Other	24,575,173	19,018,998	5,556,175
	289,419,976	291,263,874	(1,843,898)
Non-aviation activities:			
– Sub-concessions and utilities	120,108,369	114,080,998	6,027,371
– Car parks	30,049,667	30,476,938	(427,271)
– Advertising	2,697,529	2,613,124	84,405
– Refreshments	8,732,837	9,100,510	(367,673)
– Other	24,316,706	21,318,937	2,997,769
	185,905,108	177,590,507	8,314,601
	475,325,084	468,854,381	6,470,703
REVENUES FROM CONTRACT WORK	0	0	
Total revenues from sales and services	562,607,683	548,749,006	13,858,677
CHANGES IN CONTRACT WORK IN PROGRESS	2,990,000	289,996	2,700,004
CONTRIBUTIONS AND GRANTS	94,914	0	94,914
Total revenues	565,692,597	549,039,002	16,653,595

“Revenues” total 565,693 thousand euros. Of these, 51.0% derived from “aviation activities” carried out by the Company (53.0% in 2007) and 49.0% were generated by “non-aviation activities” (47.0% in 2007).

“Revenues from sales” amounted to 87,282 thousand euros, up 9.2% on 2007.

NOTES TO THE FINANCIAL STATEMENTS - ADR SPA

This change was due to the increased turnover of directly managed shops, linked to the positive trend in traffic. "Revenues from services" totaled 475,325 thousand euros, up 1.4% on 2007.

Other information.

It is important to note that the type of activity carried out by the Company does not permit a breakdown of the various areas of activity into fully independent segments in relation to markets and customers. The "traffic" element currently affects all the Company's activities.

However, it is possible to identify segments on the basis of the type of product or service offered and the production process involved. Information regarding the resulting segments has been extracted directly from the Company's accounts.

The following table provides information relating to the three principal areas of activity identified:

- Airport fees: paid in return for use of airport infrastructure;
- Handling: including handling contracts and supplementary services⁽²⁾;
- Centralized infrastructures;
- Non-aviation activities, consisting of:
 - sub-concessions: including fees paid by sub-concessionaires operating on airport grounds, in addition to utilities;
 - direct sales: including revenues from directly operated duty free and/or duty paid outlets.

⁽²⁾ On December 31, 2007 ADR S.p.A. transferred management of this business to the subsidiary undertaking, *Cargo Merci Fiumicino S.r.l.*, which was sold to Argol S.p.A. on the same date.

Finally, the category, "other activities", includes the sale of advertising space⁽³⁾, the management of car parks and refreshment facilities, security, left luggage, assistance services to passengers with reduced mobility, and contract work on behalf of the State, etc.

The following table shows a breakdown of revenues from the segments described. It should be noted, moreover, that the revenues earned by each segment relate entirely to third parties and do not include inter-segment transactions (€/000).

Revenues	Fees	Handling	Centralized Infrastructures	Non-aviation activities		Other activities	Total
				Sub-concessions	Direct sales		
2008	165,313	0	36,450	120,108	87,282	156,540	565,693
2007	155,873	16,858	35,002	114,081	79,895	147,330	549,039
Change	9,440	(16,858)	1,448	6,027	7,387	9,210	16,654
Change %	6.1%	(100.0%)	4.1%	5.3%	9.2%	6.3%	3.0%

⁽³⁾ Until March 1, 2003, the date on which the lease of the advertising division to the subsidiary undertaking, ADR Advertising S.p.A., came into effect; the sale of advertising space in retail outlets, on the other hand, continues to be carried out by ADR S.p.A..

Total revenues can be broken down into two macro-areas:

- “Aviation” (including fees, handling, management of centralized infrastructures, security services, left luggage and assistance services to passengers with reduced mobility) amounting to 289,420 thousand euros, compared with the 291,264 thousand euros of 2007;
- “Non-aviation” (including sub-concessions, direct sales, the management of advertising space and car parks, refreshments and contract work on behalf of the State) amounting to 276,273 thousand euros, compared with the 257,775 of 2007.

A geographical breakdown of revenues would not be significant given that both airports managed by the Company are located within the same Country.

Other income and revenues: other.

	2008	2007
Revenue grants	94,914	0
Gains on disposals	42,548	90,700
Other:		
– Releases:		
· release from allowance for overdue interest	61,855	7,540
· release from allowances for risks and charges	284,449	0
– Expense recoveries	1,648,637	775,579
– Recoveries of personnel expenses	150,838	156,163
– Revaluations of prior years	3,355,919	3,958,265
– Other revenues	1,839,333	1,230,504
	7,341,031	6,128,051
Total	7,478,493	6,218,751

“Revaluations of prior years”, amounting to 3,356 thousand euros, primarily includes the effects of updated valuations of costs and revenues, formerly estimated at the end of the previous year.

Operating costs.

Amortization, depreciation and write-downs.

“Amortization and depreciation” during the period amounted to 104,733 thousand euros (98,093 thousand euros in 2007), including amortization of intangible fixed assets of 86,834 thousand euros (82,684 thousand euros in 2007)

NOTES TO THE FINANCIAL STATEMENTS - ADR SPA

and depreciation of tangible fixed assets of 17,899 thousand euros (15,409 thousand euros in 2007). Amortization of intangible fixed assets includes the charge for the amortization of the concession, amounting to 50,096 thousand euros.

Further details are provided in the Note to "fixed assets".

"Provisions for doubtful accounts" totaled 2,486 thousand euros (5,420 thousand euros in 2007) and reflect an updated assessment of the recoverability of ADR S.p.A.'s receivables.

Provisions for risks and other charges.

	2008	2007
Current and potential disputes	0	7,048,356
Insurance deductibles	0	72,850
Total	0	7,121,206

"Other provisions", totaling 390 thousand euros, regard provisions for fixed assets to be relinquished.

Further information is provided in the Note to "allowances for risks and charges".

It should be borne in mind that provisions to the Income Statement are made following determination of potential liabilities not absorbed by any surplus provisions deriving from updated assessments of the risks to which the Company is exposed.

Other operating costs.

	2008	2007
Losses on disposals	0	39,660
Concession fees	15,006	16,258
Other	49,679,527	6,003,253
Total	49,694,533	6,059,171

The item "other", amounting to 49,680 thousand euros, primarily comprises:

- 1,016 thousand euros for membership fees (1,029 thousand euros in 2007);
- 2,985 thousand euros for indirect taxes and duties (2,787 thousand euros in 2007), including 1,311 thousand euros for local property taxes (ICI);
- 1,848 thousand euros for updated valuations of costs and revenues recognized in the 2007 Financial Statements (2,024 thousand euros in 2007);
- losses totaling 42,259 thousand euros on amounts due from Alitalia group companies. Amounts due to the ADR

S.p.A. from Alitalia group companies before they went into special administration were reported as losses, less the amounts due for the passenger surtax (which is offset by corresponding taxes due) and receivables relating to fees covered by specific guarantees issued in favor of ADR S.p.A., net of provisions made for doubtful accounts in previous years.

Financial income and expense.

Income from equity investments.

	2008	2007
Dividends from subsidiary undertakings	1,097,820	1,387,170
Total	1,097,820	1,387,170

“Dividends from subsidiary undertakings” regard:

- 486 thousand euros in dividends for 2008, recognized on an accruals basis, paid by the subsidiary undertaking, ADR Engineering S.p.A. (100% owned by ADR S.p.A.), in accordance with the proposed allocation of net income approved by the Company’s Board of Directors on February 17, 2009;
- 612 thousand euros in dividends for 2008, recognized on an accruals basis, paid by the subsidiary undertaking, ADR Tel S.p.A. (99% owned by ADR S.p.A.), in accordance with the proposed allocation of net income approved by the Company’s Board of Directors on February 27, 2009.

Other financial income.

	2008	2007
Interest and commissions on long-term receivables:		
– Other	4,089	13,440
Other:		
– Interest on overdue current receivables:		
· clients	201,799	748,370
– Interest and commissions received from other companies:		
· interest from subsidiary undertakings	78,806	127,455
· interest from banks	7,793,837	7,706,902
· other	8,426,969	2,755,448
Total	16,505,500	11,351,615

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The item “interest from banks”, totaling 7,794 thousand euros, rose by 87 thousand euros compared with 2007, despite the reduction in average liquidity held during the year, due to rising interest rates throughout 2008, which fell back at the end of the year.

The item “other” essentially derives (8,385 thousand euros) from the positive differential paid to ADR S.p.A. by counterparties with whom the Company has entered into fixed rate hedges (3.891%).

This differential is up on 2007 (2,697 thousand euros), in line with the above-mentioned rise in floating interest rates.

Interest expense and other financial charges.

	2008	2007
Interest paid to subsidiary undertakings	175,525	136,250
Interest and commissions due to others and sundry charges:		
– Interest and commissions paid to banks	15,419,596	12,492,374
– Interest and commissions paid to other financial institutions	74,178,202	72,203,952
– Provisions for overdue interest on doubtful accounts	93,692	143,577
– Other	8,401,852	5,024,506
Total	98,268,867	90,000,659

“Interest and commissions paid to banks” and “interest and commissions paid to other financial institutions” rose by 2,927 thousand euros and 1,974 thousand euros, respectively, due to raising of floating interest rates, partly mitigated by the reduced exposure deriving from the partial repayments of loans amounting to 99.2 million euros made in March 2008, which were refinanced by an amount of 80 million euros in June 2008.

The item “other” primarily comprises (8,118 thousand euros) the negative differential paid by ADR S.p.A. to counterparties with whom the Company has entered into floating rate hedges. This differential is up 3,356 thousand euros on 2007, due to the above-mentioned raising of floating interest rates.

Foreign exchange gains/(losses).

	2008	2007
Foreign exchange gains	57,335	113,559
Foreign exchange losses	6,594	14,935
Total	50,741	98,624

The conversion of receivables and payables denominated in non-EU currencies at closing exchange rates resulted in a net gain of 1,160 euros.

Extraordinary income and expense.

Income.

“Extraordinary income” for the period totaled 612 thousand euros and breaks down as follows:

	2008	2007
Gains on disposals	0	1,384,382
Other:		
– Income and recovery of expenses relating to previous years deriving from:		
· other income and revenues	60,000	0
· operating costs	64,753	51,871
· payroll costs	0	8,280
· amortization, depreciation and write-downs	7,753	0
· financial income and expense	294	486,257
· reversal of liabilities	1,601	21,988
· damages and compensation received	0	0
· taxes relating to previous years	477,338	45,107
	611,739	613,503
Total	611,739	1,997,885

In 2007 the item “gains on disposals”, amounting to 1,384 thousand euros, included 611 thousand euros deriving from the transfer of the cargo handling business to the subsidiary undertaking, Cargo Merci Fiumicino S.r.l., and 773 thousand euros deriving from the sale of the equity investment in the above-mentioned company to Argol S.p.A.; the related costs were classified under “extraordinary expense”.

Expense.

“Extraordinary expense” amounted to 5,373 thousand euros and breaks down as follows:

	2008	2007
Taxes relating to previous years	0	18,270
Other:		
– Extraordinary expense derived from:		
· total revenues	0	33
· operating costs	744,629	269,447
· payroll costs	18,576	29,252
· other operating costs	0	5,040
· financial income and expense	0	11,634
· exceptional asset write-downs	146,013	859,499
	909,218	1,174,905
– Other extraordinary expense:		
· payments due for lost cargo	54,392	57,700
· fines	101,579	60,857
· restructuring costs	0	182,463
· damages and compensation paid to third parties	6,324	36,897
· antitrust penalties	1,878,000	46,100
· costs relating to extraordinary operations	2,423,706	1,080,462
	4,464,001	1,464,479
	5,373,219	2,639,384
Total	5,373,219	2,657,654

The item “Antitrust penalties” includes:

- 1,668 thousand euros for the penalty imposed by the Antitrust Authority, with a ruling on November 3, 2008, regarding the procedure relating to certain airport fees; ADR S.p.A. has nevertheless decided to lodge an appeal;
- 210 thousand euros for the penalty imposed by the Antitrust Authority, with a ruling on November 6, 2008, regarding advertising messages displayed at ADR S.p.A. retail outlets; the Company paid this fine in December 2008.

The item “costs relating to extraordinary operations” includes adjustments of 1.3 million euros to the selling price of Flightcare Italia S.p.A. (formerly ADR Handling S.p.A.) sold in 2006, which were deemed likely (see the Note to the Memorandum Accounts), and costs of 1.1 million euros incurred by ADR S.p.A. for preliminary activities regarding a project to review direct commitment in one of the key business areas, which has been withdrawn for the time being.

Income taxes.

This item reports the estimated expense for “current taxes” for the year totaling 26,676 thousand euros. “Deferred tax assets” of 9,585 thousand euros have also been recognized.

	2008	2007
Current taxes:		
– Tax consolidation expense	10,376,331	26,563,079
– Substitute tax	3,377,090	0
	13,753,421	26,563,079
IRAP	12,922,863	14,096,289
	26,676,284	40,659,368
Deferred tax (assets) liabilities:		
– Deferred tax assets	(2,121,000)	3,120,000
– Deferred tax liabilities	(7,464,000)	316,000
	(9,585,000)	3,436,000
Total	(17,091,284)	44,095,368

It should be remembered that, due to the existence of the related prerequisites, ADR S.p.A. and the other Group Companies (ADR Engineering S.p.A., ADR TEL S.p.A. and ADR Sviluppo S.r.l.) along with the Consolidating Company, Gemina S.p.A., opted to adhere to the tax consolidation regime introduced by the Tremonti Reform for the three-year period 2007-2009.

Gemina S.p.A., as the Consolidating Company, has submitted the necessary documents to the Tax Authorities, electing to participate in the optional tax consolidation regime introduced by Legislative Decree no. 344/2003.

As regards deferred taxation, it was decided to continue posting the assets and allowances that generated temporary differences in the individual Companies’ Financial Statements.

Pursuant to the above tax legislation, against the taxable income transferred by ADR S.p.A. to the Consolidating Company, Gemina S.p.A., “expenses relating to tax consolidation” amounting to 10,376 thousand euros (regarding IRES) have been recorded.

ADR S.p.A. exercised the option provided for by the new regulations introduced by the 2008 Finance Act to pay a substitute tax for direct taxes (IRES and IRAP) in order to align the differences between statutory and tax-related amounts deriving from the execution of off-balance sheet accelerated depreciation.

Therefore, in 2008 “substitute tax” amounting to 3,377 thousand euros was recognized in the Income Statement regarding ADR S.p.A.. Consequently, deferred tax assets amounting to 7,446 thousand euros allocated during previous years were reversed.

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IRES⁽⁴⁾ accounts for 103.3% of pre-tax income compared with the expected rate of 27.5%. In 2007 IRES accounted for 42.1% of pre-tax income compared with the expected rate of 33%.

Reconciliation of the expected and effective rates is provided in the table below (€/000):

	2008	2007
Pre-tax income	10,043	63,028
Expected rate (IRES)	27.5%	33.0%
Expected taxation	2,762	20,799
Effect of increases (decreases) in the ordinary rate:		
– Tax-exempt income (gains on disposals)	0	(384)
– Dividends	(302)	(458)
– Non-deductible costs	6,471	7,452
– Other permanent differences	(132)	(15)
– Temporary differences (increases)	4,977	5,802
– Temporary differences (decreases)	(3,400)	(6,633)
Consolidation taxation	10,376	26,563
Effective rate	103.3%	42.1%

For further information on the calculation of deferred tax assets see the item “deferred tax assets” in the section on “receivables”.

Other information.

Headcount.

The following table shows the average number of employees of ADR S.p.A. by category:

Category	2008	2007	Change
Management	52.6	50.4	2.2
Administrative staff	193.6	182.0	11.6
White-collar	1,471.4	1,429.0	42.4
Blue-collar	426.3	572.7	(146.4)
Total	2,143.9	2,234.1	(90.2)

⁽⁴⁾ For the purposes of calculating the tax rate for IRES, IRES expense was added to the proceeds and expense deriving from tax consolidation.

Remuneration of Directors and Statutory Auditors.

In accordance with art. 2427 of the Italian Civil Code, the remuneration of Directors and Statutory Auditors is shown in the table below (cumulatively for each category in Euros):

Category	Remuneration	Other remuneration ^(d)	Total
Directors	(a) 112,384	20	112,404
Executive Directors	(b) 535,972	42,342	578,314
Statutory Auditors	(c) 227,700	20,539	248,239
Total	876,056	62,901	938,957

^(a) Remuneration determined pursuant to art. 2389 paragraph I of the Italian Civil Code, approved by the General Meeting of September 21, 2007.

^(b) See Resolutions of Board of Directors' Meetings of September 21, 2007 and August 6, 2008, pursuant to art. 2389, paragraph III of the Italian Civil Code.

^(c) See Resolution of the Ordinary General Meeting of April 16, 2007.

^(d) Social security charges sustained by the Company (21 thousand euros for Directors and 14 thousand euros for Statutory Auditors) and reimbursement of expenses.

At a meeting on August 6, 2008 the Board of Directors also approved payment of gross annual remuneration of 85 thousand euros (45,000 euros until July 31, 2008) to the members of the Supervisory Board pursuant to Legislative Decree no. 231/2001.

Remuneration of Independent Auditors.

In accordance with art. 149-12 of the Issuers' Regulations, which apply to ADR S.p.A. as it is a Company controlled by a listed Company (Gemina S.p.A.), a breakdown of the fees paid to the ADR Group's principal Independent Auditors is shown in the table below (€/000):

Type of service	Entity providing the service	Client	Fees 2008
Auditing	Deloitte & Touche S.p.A.	ADR S.p.A.	128
Attestation	Deloitte & Touche S.p.A.	ADR S.p.A.	30
Others - services of due diligence	Deloitte F.A.S. S.p.A.	ADR S.p.A.	80
		ADR Engineering S.p.A.	
Auditing	Deloitte & Touche S.p.A.	ADR Tel S.p.A.	48
		ADR Assistance S.r.l.	
Total			286

Shareholdings of Directors and Statutory Auditors.

None of the Directors or Statutory Auditors hold shares in the Company.

Number of shares

The share capital of 62,309,801 shares is represented by 62,309,801 shares with a par value of 1 euro each.

As of December 31, 2008 the interest of the majority shareholder, Gemina S.p.A., amounts to 95.761% (59,668,245 shares).

Key data from the Financial Statements of Gemina S.p.A. for the year ended December 31, 2007

From August 2, 2007, ADR S.p.A. is subject to "management and coordination" by Gemina S.p.A., which wholly owned Leonardo S.r.l., which was subsequently merged into Gemina S.p.A..

Key data from the Financial Statements of Gemina S.p.A. as of December 31, 2007, the latest available Financial Statements approved by the Company's General Meeting of Shareholders on April 30, 2008, are shown in the table below (in Euros):

BALANCE SHEET - ASSETS (in Euros)		12.31.2007
NON-CURRENT ASSETS		
Intangible fixed assets		25,635
Tangible fixed assets		73,620
Investment in subsidiary undertakings		1,835,546,345
Investment in associated undertakings and joint venture		13,755,581
Investment assets		8,031,907
Other non-current assets		581
Deferred tax assets		3,564,376
Other non-current financial assets		1,400,000
Total non-current assets		1,862,398,045
CURRENT ASSETS		
Trade receivables		4,248,958
Other receivables		22,822,622
Other current financial assets		10,651,160
Cash and cash equivalents		1,583,365
Total current assets		39,306,105
Assets held for sale		31,328,292
		31,328,292
TOTAL ASSETS		1,933,032,442

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY (in Euros)

12.31.2007

SHAREHOLDERS' EQUITY	
Share capital	1,472,960,320
Capital reserve	199,847,944
Other reserves	81,394,547
Profit (loss) from previous years	52,850,361
Profit (loss) for the year	13,381,116
Total shareholders' equity	1,820,434,288
NON-CURRENT LIABILITIES	
Employee benefits	204,694
Total non-current liabilities	204,694
CURRENT LIABILITIES	
Trade payables	1,359,668
Current financial liabilities	109,107,295
Provisions for risks and charges	161,328
Other current liabilities	1,765,169
Total current liabilities	112,393,460
Liabilities held for sale	0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,933,032,442

INCOME STATEMENT (in Euros)

Year 2007

Financial income (expense) from equity investments	39,261,578
Financial income (expense), net	(35,193,349)
Payroll costs	(3,787,907)
Other operating costs	(6,990,087)
Amortisation, depreciation and write-down of fixed assets	(35,827)
Revenues	391,116
Other operating profit	462,945
Total costs operating, net	(9,959,760)
Profit (loss) before taxation	(5,891,531)
Income tax	19,272,647
PROFIT (LOSS) FOR THE YEAR	13,381,116

Litigation.

Tax litigation.

- In 1987 a general tax audit of ADR S.p.A.'s accounts from January 1, 1985 to February 18, 1987 was carried out, focusing in addition on certain aspects relating to previous years.

Despite the fact that the auditors found no evidence of irregular accounting practices or violations of statutory regulations, including misdemeanors punishable by fine in compliance with Law no. 516 of August 7, 1982, ADR S.p.A. was notified of certain irregularities regarding both direct and sales tax for the years between 1982 and 1987. ADR S.p.A. appealed the Tax Authorities' interpretation before the competent Tax Commissions.

During 2002, the Revenue Office appealed the sentence issued by the Regional Tax Commission for Rome – section no. 43 – before the Supreme Court. Such sentence had turned down the appeal against the sentence of the Tax Commission for the Province of Rome, dated April 9, 1999, which had accepted the grounds for ADR S.p.A.'s appeal against the allegations of income tax violations regarding the years 1985 and 1986.

On July 10, 2002 the Tax Authorities appealed to the Supreme Court, and the Company responded by depositing its counter-evidence with the Court. At a hearing to discuss the matter on November 7, 2007, the Supreme Court accepted the appeal and referred the case to a different department of the Regional Tax Commission.

Thus far the outcomes of the hearings conducted by the various Tax Commissions have been in ADR S.p.A.'s favor, confirming the legal interpretation adopted and a positive outcome for the Company.

- On November 3, 2006 Tax Office of Rome (UTF) initiated an audit of ADR S.p.A.'s accounts regarding taxation of the consumption of electricity.

In its Report dated February 23, 2007, the Tax Office (UTF) informed the Company that it "intended to recover the amounts relating to the consumption tax and related local surtaxes on electricity sold to third parties for the years between 2002 and 2005, in that, in the Office's opinion, the said amounts were not duly paid". In this regard, the Office specifies that "it is necessary to know, for each of the above years, the electricity suppliers that in the role of withholding agents applied the exemptions in question, as well as the list of sub-concessionaires that were supplied electricity with exemption and the related amounts invoiced, even if for the purposes of reimbursement".

The Tax Office (UTF) formalized the request for data and information regarding the supply of electricity for the above period. ADR replied in a letter dated June 1, 2007, reiterating that, on the basis of the legal framework governing the Company's activities, the electricity obligatorily supplied to airport premises and infrastructures utilized by other entities cannot be considered as energy "acquired by the company and sold, subject to reimbursement of expenses, to third parties".

Between July 3 and 13, 2007, the Tax Office (UTF) carried out additional audits aimed at "carrying out technical checks on the equipment and on the means of distribution and consumption of electricity on the part of ADR, in order to identify and separate the consumption subject to the tax exemption in accordance with art. 52 of Consolidated Act no. 504/1995 for the tax period January 1, 2002 - May 31, 2007".

Following the audits, the Tax Office issued 15 demands for payment of a total of 4.4 million euros, regarding failure to pay the tax on electricity consumption and the related surtax for the period 2002-2006. This amount includes interest expense, penalties for late payment and notification expenses.

Generally speaking, the disputes relate to the alleged sale to third parties of the electricity acquired by ADR, as well as the refusal to recognize the favorable terms applied in accordance with art. 52 of the Consolidated Customs Act to entities qualifying for inclusion in the category "industrial operators".

Along with the demands for payment, there were no. 9 notifications of administrative irregularities, amounting to a total of 1.5 million euros for 2002, concerning the sanctions imposed in relation to the failed payment of the above taxes.

Backed up by the opinion of its tax experts, ADR S.p.A. deems it highly likely that the legitimacy of its behavior will be recognized, and has therefore appealed the demands in question before Rome's Provincial Tax Commission. At a hearing on March 10, 2008, Rome's Provincial Tax Commission granted the first 9 appeals lodged.

- On December 27, 2006, the Municipality of Fiumicino notified ADR S.p.A. of its failure to declare and pay local property tax (ICI) for 2001 regarding Rome Airport's Hilton Hotel.

On December 28, 2007 the Municipality of Fiumicino notified ADR S.p.A. of a tax assessment for 2002 regarding the same building previously assessed for 2001.

The Company, considering that there are valid arguments in favor of its non-liability to pay this tax, has appealed against these tax assessments to the Provincial Tax Commission of Rome.

- On August 16, 2007, the Rome II Customs District Office notified ADR S.p.A. of reported irregularities in the sales carried out at its duty free shops from January 1, 1993 to January 31, 1998. The findings essentially regard sales made to passengers traveling within the EU that exceeded duty free allowances in terms of amount and value.

On December 18, 2007, the same Customs District Office ordered payment of sums regarding VAT, as well as excise and tobacco duties, as a result of the findings set out in the assessment report. The total amount of taxes and interest charged adds up to around 22.2 million euros.

Backed up by the opinion of its tax experts, ADR S.p.A. deems it highly likely that the legitimacy of its behavior will be recognized, and has therefore appealed this demand for payment before the Provincial Tax Commission.

Administrative, civil and labor litigation.

Administrative, civil and labor litigation is followed by the Company through its internal legal department which has

provided, for the preparation of the Accounts as of and for the period ended December 31, 2008, a complete and exhaustive breakdown of the different civil, administrative and arbitration proceedings outstanding as of that date. As regards litigation as a whole, the Company carried out a valuation of the risk of negative outcomes leading to the creation of a specific allowance under "allowances for risks and charges" to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. The disputes for which a negative outcome was merely possible, given the different legal interpretations, were not the object of provisions in accordance with the principles and procedures governing the preparation of financial statements. Furthermore, there are a limited number of civil proceedings underway, for which no provisions were made, as the impact of any negative outcome, while negligible, could not be measured.

Significant disputes are summarized below:

– With regard to relations with Public Bodies, Supreme Court sentence no. 15023/2001, which, on the one hand, established that Public Bodies should have rent-free access to the premises needed to carry out their legally required duties regarding aircraft, passenger and cargo movements, whilst, on the other hand, requiring such bodies to pay for the services and utilities relating to said premises, ADR applied to the Ordinary Court for injunctions allowing it to recover receivables due from the various Ministries. The latter have opposed such injunctions, not questioning that payment is due for use of services, but challenging the determination of amounts and the methods of calculation. All of the judgments were made in first instance, and in all cases the Civil Court rejected the Ministries' opposition. The time limits in which to appeal two of the judgments are expiring, and for the other two the sentences in first instance have become final given that no appeals have been lodged.

– On May 26, 1999, ADR S.p.A. appealed Ministry of Finance Decree no. 86, dated March 5, 1999, before the Lazio Regional Administrative Court. The Decree establishes the license fees to be paid by airport operators for the years prior to 1997. Judgment is still pending.

A similar action brought by ADR S.p.A. before the Civil Court of Rome, with the aim of ascertaining that the Company is not required to pay any back-dated fees to the Ministry of Transport for the years prior to 1997, ended with the issue of sentence no. 5283/2004. This sentence, which upheld ADR S.p.A.'s position, declared that the Company has no obligation to pay the Government license fees for the years prior to 1997 in application of the convention of June 26, 1974.

– In a Resolution of September 20, 2000, the Antitrust Authority closed the investigation of ADR S.p.A., launched during 1999, finding that the Company had not abused its dominant position either with respect to the fees charged for ground handling services, or with regard to self-handling. The Authority did, however, find anti-competitive practices in relation to Aviation Services (Meridiana Group), although no fine was inflicted. The Company has appealed the latter finding before the Lazio Regional Administrative Court, but the date for the hearing has yet to be set.

– Alitalia and Alitalia Airport have appealed to the Lazio Regional Administrative Court against the Italian Civil Aviation Authority and the Director of Fiumicino Airport and against ADR S.p.A. and ADR Handling S.p.A. as interested parties. The appellants have requested the cancellation, subject to suspension, of both the Aviation Authority's provisions of September 26, 2000, by which the Authority defined the centralized infrastructure at Fiumicino Airport, including the cargo storage plant, and the act of March 29, 2001, by which the Director of Rome Fiumicino Airport ordered the appellants to "cease, with immediate effect, all activities regarding cargo handling, in relation to both services subject to limits and those for which it might have been necessary to use Alitalia's cargo plant". An announcement of the date of the relevant hearing is awaited, given that the appellants have withdrawn their request for a suspension.

– The Ministerial Decree of November 29, 2000 requires the operators of public transport services and relative infrastructure to draw up action plans for the reduction and abatement of noise, and to make provisions in line with forecast penalties if such limits should be exceeded. The legislation has been independently appealed by all airport operators to the Council of State, with the aim of obtaining an annulment of Lazio Regional Administrative Court's sentence no. 3382/2002. Sentence no. 5822/2004 of September 7, 2004 partially rejected the appeals brought by the airport operators. The consequences of this judgment are summarized below.

The Appeal Judge, citing grounds that are partially different from those on which the appealed sentence was based, has decided that airport operators have an obligation to reduce noise pollution and thus prepare noise abatement action plans under two conditions:

- identification of the boundaries of the areas covered by the Ministerial Decree of October 31, 1997 (see the section of the Management Report on Operations dealing with "environmental protection: noise abatement");
- verification, according to a precise schedule, of instances when noise pollution limits are exceeded outside the areas covered by the regulations, as established by the Prime Ministerial Decree of November 19, 1997, with reference to be made to the limits established in municipal zoning bylaws or, in their absence, by art. 6, paragraph 1 of the Prime Ministerial Decree of March 1, 1991.

Within the areas covered by the regulations, on the other hand, emission limits (as defined by art. 3, paragraph 3 of the Prime Ministerial Decree of November 14, 1997) are only applicable "for all noise sources other than airport infrastructures". The limits established by the Ministerial Decree of October 31, 1997 remain in force. These limits "provide for three areas (zones A, B and C) with various levels of LVA (the indicator used to measure airport noise emissions and different from the "Noise equivalent level" used to establish the levels applied in the Prime Ministerial Decree of November 14, 1997).

The obligation to make financial provisions to cover the cost of adopting noise reduction and abatement measures, regardless of whether or not the above limits have been exceeded, derives from Framework Law no. 447/1995 (art. 10, paragraph 5) and not the Ministerial Decree to which the appeal judge's sentence refers, as the latter is merely a repetition of the legal provisions referred to.

The Ministry of the Environment "assumes that the obligation to make provisions is valid regardless of whether or not the noise emission limits have been exceeded" (thus as of the entry into force of Law no. 447/1995); at the same time "all issues regarding the reasonableness of such obligation, even where limits have not been exceeded, are beyond the scope of this action, by which the appellants have appealed a regulation that merely requires communication of the provisions made".

The above sentence, moreover, does not exclude the possibility that the issue of "the reasonableness" (or otherwise) of the above regulation establishing the obligation to make provisions may be appealed by airport operators before the relevant courts. A description of the relevant accounting treatment is provided in the notes to the "Memorandum Accounts".

- In 2003 ADR S.p.A. lodged an appeal with the Lazio Regional Administrative Court in which it contested the request by the Antitrust Authority of May 12, 2003 to pay a sum of 1.2 million euros, equivalent to thirteen six-monthly "surcharges" on penalties of 0.9 million euros, imposed on ADR S.p.A. in 1993 following a dispute about handling.

The appealed letter follows payment by ADR S.p.A. of an amount corresponding to only five six-monthly surcharges (0.5 million euros, as well as the original penalty) rather than the total of eighteen six-monthly surcharges requested by the Authority.

In ADR S.p.A.'s opinion, the surcharges are not due for the period in which the Antitrust Authority's penalty was "suspended" following acceptance by the Lazio Regional Administrative Court of ADR's request for a suspension in 1993 (as part of the appeal in which ADR S.p.A. contested the Antitrust Authority ruling), and until the sentence handed down by the court in July 2000.

With sentence no. 198/2004, handed down on May 6, 2004, the Lazio Regional Administrative Court accepted ADR S.p.A.'s appeal and, in particular: 1) annulled the disputed act (the letter from the Antitrust Authority dated May 12, 2003 in which the Authority laid claim to a sum of 1.7 million euros rather than 0.5 million euros; 2) ruled that ADR S.p.A. was not liable for payment of the surcharge stipulated in said act; and 3) ordered payment of legal interest to ADR for the period of the dispute (thirteen six-month periods, unless a different interpretation of the letter containing the grounds for the sentence emerges).

In October 2004 the Antitrust Authority appealed the Lazio Regional Administrative Court sentence before the Council of State. The date of the hearing has yet to be announced.

- In September 2003 ADR S.p.A. issued notice of appeal to Lazio Regional Administrative Court against Ministerial Decree no. 14/T of March 14, 2003 (published in the Official Gazette of June 3, 2003) containing provisions regarding the payment of fees for the 100% screening of hold baggage, as interpreted, in relation to the date from which such fees are to be applicable, in Civil Aviation Authority letters dated June 3, 2003 and June 11, 2003. The main reasons for the appeal are: (a) the contradictory nature of the two letters from the Civil Aviation Authority; and (b) the lack of any provision regarding collection of the fees prior to the implementation of the Ministerial

Decree. In fact, pursuant to local airport authority ordinance no. 14/2002, as interpreted by the local airport authority's letter of January 9, 2003, ADR S.p.A. was obliged, as of February 1, 2003, to carry out 100% screening of hold baggage with no possibility of charging fees for the service. Such fees were belatedly determined by the Ministerial Decree published in the Official Gazette on June 3, 2003. The appeal aims, among other things, to recover the fees due for the period between the date the Decree became valid (June 3, 2003) and the date authorized by the Civil Aviation Authority in a separate letter (June 26, 2003).

- In 2003 ADR S.p.A. lodged an appeal with Lazio Regional Administrative Court against the Executive Decree of June 30, 2003 (definition of airport license fees for 2003) published in the Official Gazette on July 7, 2003, as amended in the notice published in the Official Gazette on September 6, 2003. This Decree established methods different from those previously applied for calculating annual fees due from, among others, global airport operators pursuant to special laws. Such methods of calculation are deemed to be illegitimate as they introduce an element of "adjustment" to the resulting figures regarding the "earnings" that passengers produce in relation to the airport.

In a parallel judgment in Civil Court, on July 12, 2007 ADR S.p.A. was notified of the purview of sentence no. 12189 of June 13, 2007 with which the Court of Rome, accepting ADR's request, "following misapplication of the executive decree issued by the director of the State Property office on June 30, 2003", declared "ADR S.p.A. did not owe the Italian Civil Aviation Authority any amounts greater than the license fees due for the years 2003, 2004 and 2005 calculated in conformity with Law no. 662/1996, in application of the calculation criteria set forth in the Ministerial Decree dated December 12, 1998".

On June 16, 2008 the State Property office lodged an appeal against this sentence. At a hearing on December 20, 2008 the case was adjourned until October 12, 2011 for final judgment.

- With regard to the preparatory phase for the Planning Agreement 2005-2009, in November 2005 ADR S.p.A. appealed to Lazio Regional Administrative Court for an annulment of the decisions and considerations contained in the document issued by the Ministry of Infrastructure and Transport and the Ministry of the Economy on September 22, 2005, in which ADR is substantially denied the right to include any component of the purchase cost of the airport management concession for Fiumicino and Ciampino in the regulatory asset base, to be used in determining the airport fees it will charge. The appeal also includes a claim for damages from the Ministries concerned, in view of the unwarranted delay the above document has caused in finalizing the Planning Agreement provided for in point 5 of the regulatory framework annexed to CIPE (Interdepartmental Committee for Economic Planning) Resolution no. 86/2000 and art. 4 of the Ministerial Decree of November 14, 2000. The Agreement governs the determination of airport fees and the other regulated revenues earned by ADR. The date of the related hearing has yet to be announced.
- On October 28, 2005, ADR S.p.A. submitted a complaint to the European Commission asking it to examine the provisions of Decree Law no. 211/2005 regarding so-called "system requirements", which was subsequently

included in Decree Law no. 203/2005, converted into Law no. 248/2005. ADR's complaint aims to bring to the Commission's attention the fact that the above legislation violates EU law, with particular regard to the rules governing state aid.

This complaint was followed on February 20, 2006 by a further communication to the European Commission from ADR, reinforcing and expanding on the previous complaint, in response to the guidelines issued by the Ministry of Infrastructure and Transport.

- Actions brought by ADR, including those contesting certain provisions regarding the implementation of regulations introduced by Law no. 248/2005 (so-called "system requirements"), include the proceedings held before the Civil Court in February 2006 against the Ministry of Infrastructure and Transport. This regards a claim for damages, estimated at 27.6 million euros, caused to ADR S.p.A. as a result of the failure to bring airport fees into line with the target inflation rate until December 2005, in compliance with article 2, paragraph 190 of Law no. 662/1996, which was repealed by Law no. 248/2005. The next hearing is scheduled to take place on March 20, 2009 in order to finalize the conclusions.
- A further action relating to "system requirements" regards the appeal filed by ADR S.p.A. at the Lazio Regional Administrative Court in February 2006, with a view to revoking the guidelines issued by the Ministry of Infrastructure and Transport on December 30, 2005, regarding the entry into effect of Law no. 248/2005. Specifically, this regards a request for annulment of both the regulations concerning the reduction of airport fees and the Civil Aviation Authority's memorandum of January 20, 2006, fixing the level of temporary airport fees. With sentence no. 2289/2007 lodged on June 5, 2007 the Lazio Regional Administrative Court rejected the appeal. In November 2007 ADR appealed this sentence before the Council of State. The fixing of a date for a hearing to discuss the matter is awaited.
- Moreover, in March 2006 ADR S.p.A. appealed to the Lazio Regional Administrative Court, without a request for suspensive relief, against the Civil Aviation Authority's memorandum of February 3, 2006 and subsequent memoranda in which the Authority deemed it appropriate to suspend payment of royalties on the sub-concession of airport fuel supply to third parties. The suspension is to remain in force until the submission by airport operators of data regarding the costs incurred in relation to the service provided by oil companies and until the completion of checks to be carried out on these companies by the Civil Aviation Authority. An announcement of the date of a hearing to discuss the matter is awaited.
- Finally, ADR S.p.A. lent its support to the appeals brought before the Constitutional Court by the Campania, Emilia Romagna, Piedmont, Tuscany and Sicily Regional Authorities in order to have Law no. 248/2005 declared unconstitutional.

The hearing to discuss the matter called for by the Piedmont Region was held on January 9, 2007. In May 2007 the Constitutional Court decided to "re-enter the case for trial" and fixed a hearing to discuss the appeal on January 15, 2008. On March 7, 2008, with sentence no. 51, the Court ruled in favor of the objections raised by

the authorities relating to the constitutional issues contained in art. 11-9 of Law no. 248/2005 regarding the violation of regional legislative authorities and the violation of the principle of fair cooperation, in the part in which this article does not provide for mandatory consultation of both State and Regional Authorities by CIPE, pursuant to Law no. 281/1997, within the scope of the procedures for adopting the resolution that identifies general criteria for determining airport fees.

– Assaereo (National Association of Airline Carriers and Air Transport Operators) and Blue Panorama lodged an appeal with the Lazio Regional Administrative Court, with a request for revocation, against the Civil Aviation Authority's memorandum of September 15, 2006 (protocol no. 60600) (and another decision dated October 31, 2006 that does not concern Roman airports) with which the Civil Aviation Authority communicated the results of the controls carried out on airports' total operations "in order to analyze the cost correlation of what airport operators request from oil companies on a lump sum basis".

With sentence no. 11154/2007 the Lazio Regional Administrative Court rejected the appeal. The carriers lodged an appeal on January 2, 2008. An announcement of the date of the relevant hearing is awaited.

– IBAR (Italian Board Airlines Representatives) and no. 6 carriers (Iberia, Tap, American Airlines, Delta Airlines, Ethiopian Airlines and Cyprus Airlines) lodged an appeal with the Lazio Regional Administrative Court, with a request for revocation, against the Civil Aviation Authority's memorandum of September 15, 2006 (protocol no. 60600) (in addition to other provisions), with which the Civil Aviation Authority communicated the results of the controls carried out airports' total operations "in order to analyze the cost correlation of what airport operators request from oil companies on a lump sum basis".

A hearing was held to discuss the matter on October 11, 2007. On February 27, 2008 Esso Italian proposed taking measures to oppose the judgment and requested that the appeal lodged by IBAR be rejected. Judgment is awaited. The effects of the appeal are not currently quantifiable.

– IBAR, together with 13 carriers, on the one hand, and Assaereo and Volare, on the other hand, in separate requests, appealed to the Lazio Regional Administrative Court, with concomitant request for suspensive relief, for the cancellation of Civil Aviation Authority rulings no. A0035898 and no. 0035899 of June 5, 2007, regarding the setting of fees for the catering carried out at Rome and Milan airports, respectively. The plaintiffs have withdrawn their request for suspension. A hearing on the matter is awaited, although it is not expected to take place in the immediate future.

– Ryanair appealed to the Lazio Regional Administrative Court requesting cancellation – with prior suspension – of Ordinance no. 14/2007 of July 9, 2007 issued by the management of Ciampino airport, stipulating that no more than 100 commercial movements by the holders of slots could be effected in any one day, with slots to be allocated between 6am and 11.30pm during the winter of 2007-2008. At the hearing held on October 11, 2007 to discuss suspensive relief, the Lazio Regional Administrative Court rejected Ryanair's appeal, thereby maintaining the restricted number of slots for the winter of 2007-2008. With Ordinance no. 5752/2007 the Council of State

upheld Ryanair's appeal (and therefore the original application for suspensive relief submitted by the airline). On March 25, 2008 Ryanair notified ADR S.p.A. of an appeal on additional grounds to the Lazio Regional Administrative Court, following the denial by Assoclearance of two slots that did not exceed the current daily limit of 138 slots, and which the airline had not made use of during the summer of 2007. This denial was based on a contradictory interpretation by the Civil Aviation Authority, according to which the effects of the contested Civil Aviation Authority Ordinance remained in force, even after the ruling by the Council of State, if Ryanair were to request slots different from those allocated to it in the summer of 2007, as only the loss of these slots would constitute the serious and irreparable harm that the ordinance intended to avoid. At a hearing held to discuss the matter on April 24, 2008, Ryanair requested that the case be adjourned until a hearing on the merits, a date for which is awaited. At the same time, regarding the carrier's request to execute Council of State Ruling no. 5752/2007, the same judge, with Ruling no. 2046/2008, rejected Ryanair's demands on the following grounds: "for the purposes of executing Ruling no. 5752 of November 6, 2007 the position taken by the appellant with regard to the present dispute, appears to be correct and satisfactory regarding maintenance of the same number of "summer 2007" slots previously allocated to Ryanair by the Civil Aviation Authority and Assoclearance, including the "summer 2008" season, given that the damages claimed by Ryanair should be measured only on the basis of the number of slots allocated to the airline at the time when the number of total slots allocated to Ciampino airport were reduced from 138 to 100".

- ENI has brought a claim before the Rome Civil Court against its own client airline carriers (Air One, Alitalia, Eurofly, Livingston, Meridina and Neos) in order to ascertain the obligation to pay oil companies the amounts regarding the license fee that the company owes to airport operators, and, consequently, that the carriers are ordered to pay ENI the amounts accrued to this effect since October 2005 (with Decree Law no. 211/2005 regarding "system requisites" came into effect).

In the same claim, ENI has also brought a secondary claim against airport operators, including ADR S.p.A. (and the Civil Aviation Authority for the airports managed by the State) in order to ascertain that ENI does not owe the airport operators payments for the license fee calculated on the basis of the amount of fuel supplied to airline companies. Moreover, as specifically regards ADR, on the one hand, ENI requests that it is ordered to pay an amount corresponding to the sum paid since October 2005, totaling 276 thousand euros, and, on the other, that it be determined that ENI does not owe ADR the amount of 1.1 million euros (determined up to May 31, 2006), as yet unpaid. At a hearing on November 19, 2008 Alitalia's attorney submitted a copy of sentence no. 287/2008 of the Bankruptcy Division of the Court of Rome, declaring that the company was insolvent. The judge therefore suspended the trial.

- Air One has taken out legal proceedings at the Rome Civil Court against Tamoil, its jet fuel supplier, as well as certain airport operators (SAB - Aeroporto di Bologna, ADR, SEA and SAVE), claiming the illegality of the payments requested by the managements of oil companies for the use of airport infrastructures, which these

companies subsequently “pass on” to carriers. Consequently, Air One also requests that Tamoil – together with the above airport operators, each according to their portion of responsibility – be ordered to repay the sum paid by Air One since 2003, amounting to 2.9 million euros. The case was adjourned until April 23, 2009 for a preliminary enquiry.

- Subsequent to the sentences of the Bankruptcy Division of the Rome Court declaring the insolvency of the following companies: Alitalia - Linee Aeree Italiane S.p.A. in a.s., Volare S.p.A. in a.s., Alitalia Express S.p.A. in a.s., Alitalia Servizi S.p.A. in a.s., Alitalia Airport in a.s., ADR lodged appeals regarding the relative bankruptcy claims. Regarding the proceedings relating to Alitalia - Linee Aeree Italiane S.p.A., ADR’s claim will be dealt with at a hearing on June 16, 2009. The dates on which the Company’s position in the other proceedings will be dealt with have yet to be fixed. Moreover, several legal initiatives have been undertaken at the Court of Civitavecchia, in support of ADR’s claims for amounts due from Alitalia for navigation fees, secured by a lien on the aircraft, also in respect of their related owners, who are jointly liable under the law.
- On December 19, 2006 the Antitrust Authority notified ADR S.p.A. of the start (with decision no. 16246 of December 14, 2006) of proceedings against the Company, following:
 - reports from IBAR regarding the methods applied by ADR S.p.A. to determine some fees for the use of airport infrastructures and capital goods used to service air transportation and passenger and aircraft assistance operations;
 - a complaint (also on the part of ALAS, ASSODOR and ANAMA) regarding the cargo sector, which focused on the anti-competitive aspect of the methods of determining fees for office space sub-concessions as well as the limits put forward by ADR regarding competitors’ access to the cargo services assistance market.

The Authority holds that ADR S.p.A. has abused its dominant position, pursuant to art. 82 of the EC Treaty, in the airport infrastructure management market at Fiumicino and Ciampino airports and in the cargo handling services market at Fiumicino.

March 19, 2007 was the deadline by which ADR could exercise the faculty pursuant to art. 14-ter of Law no. 287/1990, enabling it to give the Authority commitments that would resolve the issue of the anti-competitive practices forming the subject of the investigation. Taking account of ADR S.p.A.’s reasonable and defendable stance in the face of the accusations put forward, it was decided not to make any such commitments and to fully defend the Company’s position.

On April 23 and on June 14, 2007, ADR S.p.A. gave evidence during an Antitrust Authority hearing as part of the proceedings.

Following the second hearing the Authority asked ADR S.p.A. to present documentation backing up the facts that had emerged: the documentation will be presented on July 20, 2007.

On November 15, 2007 the Authority extended the deadline for concluding the proceedings – previously fixed for January 31, 2008 – until June 30, 2008.

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On November 21, 2007 the Authority asked the Company to provide further information (accompanied by relevant documentation) regarding the state of progress of ADR's procedure to spin off the cargo business at Fiumicino airport, the allocation of space at the Cargo City and the number of all-cargo flights operating at Fiumicino airport. ADR submitted all the requested information and documents on December 13, 2007.

On June 16, 2008 the Authority notified the Company of the results of the preliminary inquiry.

The assessment of the Authority's investigative department, regarding the charges levied by ADR, changed in the sense that it excluded the abusive connotation of certain behaviors described in the initial proceedings of December 2006 and regarding these markets: (i) access to centralized infrastructures; (ii) the provision of assets for common and exclusive use to carry out catering assistance activities; and (iii) the provision of spaces at the airport to carry out additional security activities.

Indeed, in its report on the findings of the preliminary inquiry the Authority described ADR's behavior in the following markets as potentially abusive: a) provision of common and exclusive assets to carry out fuel supply activities; b) provision of common and exclusive assets to carry out cargo handling activities; and c) the cargo handling market.

The Authority extended the deadline for completing the proceedings, initially fixed for June 30, 2008, until July 31, 2008.

Following the granting of the Company's request to extend the deadline on June 27, 2008, with a ruling on July 16, 2008, the Antitrust Authority fixed the deadline for gathering evidence at September 30, 2008. On September 25, 2008 ADR therefore submitted its final defense.

On September 30, 2008 the final hearing for the proceedings was held at the Authority which, in addition to the Company, was attended by representatives of IBAR, ICTS and Air One. The deadline for completing the investigation was set at October 24, 2008.

On November 3, 2008 ADR S.p.A. was notified of the Antitrust Authority's ruling on conclusion of the proceedings: the Authority fined ADR a sum of 1,668 thousand euros (compared with a potential maximum fine of approximately 50 million euros) for abuse of its dominant position by applying excessively high fees in the following markets: a) provision of common and exclusive assets to carry out fuel supply activities; b) provision of common and exclusive assets to carry out cargo handling activities; and c) the cargo handling market, relating to the fees charged for access to Cargo City. Therefore, the Authority fined ADR for only three of the six charges contested at the outset of the proceedings.

- On June 3, 2008 the Antitrust Authority took out proceedings against ADR regarding unfair commercial practices. These proceedings were launched following a report by Federconsumatori (Italy's consumers' association). Moreover, prior to the launch of the proceedings, ADR S.p.A., in the spirit of collaboration and transparency that marks its relations with consumers, had already met with Federconsumatori, in order to come to an amicable agreement regarding the alleged unfair commercial practices.

In launching the proceedings, the Authority has requested information from ADR S.p.A. regarding certain advertising messages displayed by the Company in its retail outlets at Fiumicino airport, which might be considered unfair pursuant to articles 20, 21 and 22 of the Consumer Code.

ADR's conduct, which is under investigation by the Antitrust Authority, refers to advertising messages aimed at promoting food items with the slogan "Best Price in Europe", as well as the display of illuminated signs and/or billboards bearing the wording "Good Buy Roma Duty Free Shops offer up to 40% savings on prices in the city". Moreover, the Authority requested information on the wording "Duty Free" displayed in areas reserved for domestic flights, which might mislead consumers.

On June 26, 2008 the Company sent the information requested to the Authority and, having decided it was opportune to do so, on July 4, 2008 ADR submitted its "commitments" to the Antitrust Authority (as provided for under article 27, paragraph 7, of the Consumer Code, as well as article 8 of the "Regulations for preliminary investigations regarding unfair commercial practices").

At a hearing on July 31, 2008 the Authority approved extension of the deadline for concluding the proceedings until October 31, 2008 and, on August 8, 2008, notified the Company of its decision to reject the commitments proposed by the latter. Following this rejection, ADR S.p.A. submitted its final defense on September 30, 2008.

On November 6, 2008 the Authority notified the Company of its final ruling, whereby ADR was fined a sum of 240 thousand euros, which was reduced to 210 thousand euros in consideration of ADR's cooperative behavior (voluntary removal of the contested advertising messages).

– On November 21, 2007 ADR lodged an appeal with the Lazio Regional Administrative Court (without a request for suspension) to obtain cancellation of CIPE Resolution no. 38/2007 and the attached "Directive regarding tariff regulation of airport services offered on an exclusive basis". Subsequently, ADR appealed (also without request for suspension) against the Guidelines issued by the Civil Aviation Authority in implementation of this Directive.

The principal grounds for the appeal regard the remuneration of invested capital and, more generally speaking, the allocation of concessionary charges, application of the single till criterion (the contribution of a percentage of commercial margins towards the determination of airport fees) and regulated tariff trends. The date of the related hearing has yet to be announced.

– A case brought by a former employee is pending before the Supreme Court against his dismissal for disciplinary reasons in 1993 regarding "alleged offenses" whilst carrying out his duties at work. In the first and second instance the outcome was positive for ADR S.p.A.. The judgment is awaited. The *petitum* in the case amounts to around 0.7 million euros as the plaintiff has requested, in addition to reinstatement of his position at the Company, payment of salary backdated to his dismissal. The case was discussed at a hearing on March 26, 2008. Judgment is awaited.

– A judgment is pending before the Lazio Regional Administrative Court in a case brought by ADR against the Ministry of Labor and Social Policies regarding obligatory employment. The case derives from a request submitted

by ADR to the Ministry of Labor regarding the possibility of excluding from the reserve quota of disabled workers ADR employees who carry out security, property surveillance and safety duties (472 staff at the time of the request), as such personnel are involved in activities that are included or assimilable amongst those exonerated under the relevant legislation (Law no. 68/1999). As the Ministry refused to grant this request, ADR S.p.A. appealed to the Regional Administrative Court with a request for preventive suspension. In a ruling on May 4, 2006, handed down with regard to the preventive suspension, the Regional Administrative Court accepted ADR's claim and consequently suspended the Ministry's refusal with immediate effect.

- A case is pending before the Court of Civitavecchia brought by a former employee who was dismissed on disciplinary grounds in 2004. Specifically, the plaintiff was dismissed regarding events that occurred during working hours, for which he was subsequently acquitted in a criminal court. Even though the dismissal was not contested in accordance with the law, the plaintiff has claimed damages amounting to around 0.8 million euros, on the grounds that the dismissal was abusive. Full acceptance of these claims is deemed highly unlikely, whilst it is considered that, in the remote possibility of any claims being accepted, only an insignificant sum would be entailed.
- A group of 16 parties summonsed ADR S.p.A. and the bankrupt Ligabue Gourmet, thereby challenging the validity of ADR's sale of the West catering business unit to Ligabue, with a claim for damages totaling around 9.8 million euros until the end of 2006, including future damages and employee severance indemnities. Despite the lack of previous decisions regarding such a case, acceptance of these claims is deemed highly unlikely. A hearing has been scheduled on January 28, 2010 to discuss the case.
- A case is pending before the Court of Appeal of Rome brought by a group of 31 plaintiffs, all of whom are former ADR S.p.A. employees transferred to Ligabue after the sale of the West catering business unit by ADR to the latter company, which subsequently went bankrupt. The *petitum* is unquantifiable. The claim specifically regards a ruling that dealt with the issue of employment following the bankruptcy of Ligabue signed at the Ministry of Labor and Social Policies, and endorsed by ADR and other interested companies, and the relevant National and Regional Authorities and Labor Organizations. Initially, a group of 54 former Ligabue employees lodged an urgent appeal (pursuant to art. 700 of the Civil Procedure Code) requesting that the signatories of the Ministerial ruling of August 2, 2002 be obliged to provide the plaintiffs with suitable employment and execute the terms of the ruling. With regard to preventive action, the judge cancelled the judgment for 11 plaintiffs who were recruited by the Municipality of Rome and, recognizing that the others had been denied the capacity to be made defendants, condemned ADR "to give permanent employment within the scope of airport-related activities" to the other 43 plaintiffs. Subsequent to lodging of an appeal, this measure was modified as the Ministry's ruling was not deemed to contain any commitment by ADR to directly employ former Ligabue employees, but only to act on their behalf in seeking their employment amongst the companies operating at the airport. The subsequent judgment in first instance acknowledged the validity of the above principle, resulting in a cessation of the case for the 11 plaintiffs

recruited by the Municipality of Rome and the rejection of the claim made by the other plaintiffs. As already mentioned, only 31 of the original plaintiffs lodged appeals. A further hearing has been fixed for April 6, 2009.

– A case is pending before the Supreme Court brought by the heirs of an Alitalia employee who died in 1994 due to employment-related causes, according to the plaintiffs. In first instance the plaintiffs only took out legal proceedings against Alitalia but, at the latter company's request, the judge also involved Assicurazioni Generali and INAIL (National Institute for Insurance against Labor Accidents) in the case, as well as ADR, as Alitalia pointed out that the first aid center that provided assistance to the Alitalia employee who was taken ill was managed by ADR. In the first and second instance the opposing claims were completely rejected. The *petitum* in the case, for claims for damages submitted by the plaintiffs, amounts to around 1 million euros. A date for the Supreme Court hearing has not yet been fixed.

The following claims with regard to contract work, services and supplies are pending before civil law courts:

– At the hearing on January 10, 2007 ATI Alpine Bau, awarded the contract for works relating to the structural and operational upgrading of runway 3 at Leonardo da Vinci Airport in Fiumicino, appealed sentence no. 1347/2006 of Rome's Civil Court. This sentence ordered ADR to pay 1.2 million euros, plus legal interest from the time of the claim, totaling 0.2 million euros.

The appeal reiterates the claims for damages made in first instance (66 million euros, plus legal interest accrued from the time of the claim) and a request was made to combine the three proceedings. In addition, a further appeal is pending against the partial judgment in first instance (the hearing for final judgment, was adjourned by the Court until October 20, 2009).

At the hearing on January 10, 2007 ATI Alpine's legal counsel made a request to combine the present proceeding with the preceding underway for which a partial judgment has been made (cited above). ADR's legal experts opposed to the combination of the proceedings and the judge, in accepting this opposition, rejected the request, but at the same time ordered that, merely for the purposes of reducing the number of court appearances, the present proceeding and that for which a partial judgment has been made be handled during the same hearing. This hearing was adjourned by the Court until January 19, 2010.

– In 2002 a lawsuit was taken out by ATI Elsag S.p.A. - CML Handling Technology S.p.A. regarding payment of sums posted to accounts relating to the contract to construct the new baggage handling system at Fiumicino airport, amounting to 7.4 million euros, plus interest. With sentence no. 23167/2007 ADR S.p.A. was ordered to pay damages to Elsag, amounting to 1.2 million euros, plus interest and revaluation. Before the related right should lapse, the Company has lodged an appeal whilst awaiting the outcome of negotiations that may lead to an agreed settlement of the dispute.

– A claim for damages, in relation to the contract for the extension and restructuring of the international terminal

at Rome's Fiumicino Airport and related works, has been brought by Consorzio Aerest (in liquidation). The claim amounts to approximately 2.2 million euros plus VAT, interest and revaluation. On October 8, 2004 the Court of Rome partially upheld the Consorzio Aerest's claim, requiring ADR S.p.A. to pay the consortium the sum of approximately 167 thousand euros, rejecting all other claims and apportioning the legal costs to both parties. On April 27, 2005 Consorzio Aerest appealed against the above-mentioned sentence, substantially reiterating the claim submitted in first instance. At the hearing for final judgment held on May 20, 2008, the judge adjourned the hearing until April 6, 2010 for the same purpose.

- In the parallel civil judgment instigated by Consorzio Aerest to obtain, amongst other things, restitution from ADR S.p.A. of the so-called withholding on accidents and injuries with sentence no. 2691/2007. Rome's Civil Court ordered ADR S.p.A. to pay the amount of 280 thousand euros, in addition to legal interest and court expenses accruing from the time of the claim. The appeal is going forward in consideration of the fact that ADR S.p.A. has already paid the contested amount on the basis of the inspection certificate approved at that time, even if the nature of said amounts was not specified in said certificate, thereby causing the judgment in first instance to be erroneous. The case was adjourned until a hearing on April 6, 2010 for passing of judgment, but did not make provisions for combining it with the above judgment.
- A civil lawsuit brought by Finprest to obtain recognition of its right to a sum of 3.2 million euros pertaining to review of contract prices, revaluations and interest in relation to a contract (dating back to 1988) for restructuring and extension works at the "old" domestic terminal (Terminal A) at Leonardo da Vinci airport in Fiumicino. With partial judgment no. 6265/2008 the Court of Rome rejected the claims of the plaintiff, ATI Finprest, whilst accepting the plaintiff's claim for interest for alleged late payment of installments paid regarding revised prices during the term of the contract. In a separate ruling, the Court thus ordered the proceedings to continue with appointment of an expert to ascertain whether ADR had made delayed payments of the revised installments and, if so, to determine the relative amount of interest. The Court appointed an expert at a hearing on November 26, 2008.
- On December 30, 2004 ATI NECSO Entrecanales - Lamaro Appalti notified its decision to appeal sentence 35859/2003 issued by the Civil Court of Rome, summoning ADR S.p.A. to appear before the Appeal Court of Rome. In addition to rejecting ATI Necso's claims, the judge at the initial hearing also ordered the company to pay ADR S.p.A.'s costs. ATI NECSO is claiming damages of 9.8 million euros, plus VAT, interest, revaluation and costs, from ADR S.p.A. in relation to 7 claims posted in the accounts relating to the contract for work on the extension and restructuring of the international terminal (Satellite West) at Fiumicino. In view of the positive outcome of the initial hearing, the Company believes the likelihood of a negative outcome to be remote. A session to draw up conclusions was held on November 18, 2008, and judgment is awaited.
- On February 1, 2005 Fondedile Costruzioni S.r.l. lodged an appeal against sentence no. 23019/2004 of the Civil Court of Rome, which rejected all the requests made by Fondedile, and also ordered the company to reimburse

ADR S.p.A.'s legal costs. Such appeal reiterates the claim submitted in first instance for a total of 3.6 million euros, as well as legal and overdue interest and revaluation. The case was adjourned for "court list" reasons until a hearing on April 21, 2009, also for pronouncement of final judgment.

– On March 31, 2006 a summons was issued in which ATI Opere Pubbliche S.p.A. - Opere Idriche S.p.A., the company contracted to carry out works on the multistory car park (fifth module) at Leonardo da Vinci Airport in Fiumicino, requests that ADR S.p.A. be ordered to pay the 17 reserves recorded in the accounts regarding said works, for a total of 2.0 million euros, plus legal interest, as well as legal costs and fees.

The request submitted from the alleged design error which obliged the contractor, ATI, to use greater quantities of material than those provided for in the project and, above all, the increase in the prices of materials used for the work in question. With the Order of April 3, 2007, the judge accepted the preliminary and prejudicial questions raised by ADR S.p.A., rejecting, at the same time, the requests put forward by the plaintiff. The hearing was adjourned until March 20, 2009 for final judgment.

In the Company's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

* * *

In conclusion, we declare that these Consolidated Financial Statements, with the Management Report on Operations, present a true and fair picture of the Company's financial position and results of operations for the year and that they correspond with the underlying accounting records.

The Board of Directors

ANNEXES

List of significant Equity Investments.

AIRPORT INVEST B.V.

Date of incorporation	April 7, 1999
Chamber of Commerce	Amsterdam 34113641
Registered office	Strawinskyalaan 3105, 1077 ZX - Amsterdam (Netherlands)
Tax Code	97166530580
Share capital	101,039.90 euros represented by 155,446 shares with a par value of 0.65 euros each
Holding:	155,446 shares with voting rights at Ordinary General Meeting, amounting to 100%

ADR ENGINEERING S.p.A. - Unipersonale

Date of incorporation	February 21, 1997
Tax Code and Companies' Register	Rome 05256281006
R.E.A.	Rome 867594
Registered office	00054 Fiumicino - Via Lago di Traiano, 100
Share capital	774,690 euros represented by 1,500 shares with a par value of 516.46 euros each
Holding:	1,500 shares with voting rights at Ordinary General Meeting, amounting to 100%

ADR ASSISTANCE S.r.l. - Unipersonale

Date of incorporation	June 23, 2008
Tax Code and Companies' Register	Rome 10062661003
R.E.A.	Rome 1206621
Registered office	00054 Fiumicino - Via dell'Aeroporto di Fiumicino, 320
Share capital	6,000,000 euros
100% of voting rights at Ordinary General Meeting	

ADR Tel S.p.A.

Date of incorporation	July 31, 2002
Tax Code and Companies' Register	Rome 07169231003
R.E.A.	Rome 1014944
Registered office	00050 Fiumicino - Via dell'Aeroporto di Fiumicino, 320
Share capital	600,000 euros represented by 600,000 shares with a par value of 1 euros each
Holding:	600,000 shares with voting rights at Ordinary General Meeting, amounting to 100% (including 1% held via ADR Sviluppo S.r.l.)

ADR ADVERTISING S.p.A.

Date of incorporation	January 10, 2003
Tax Code and Companies' Register	Rome 07336861005
R.E.A.	Rome 1027780
Registered office	00050 Fiumicino - Office Tower, Leonardo da Vinci Airport
Share capital	1,000,000 euros represented by 500,000 ordinary shares and 500,000 preference shares both with a par value of 1 euro each
Holding:	255,000 shares with voting rights at Ordinary General Meeting, amounting to 51% of the share capital

LIST OF SIGNIFICANT EQUITY INVESTMENTS/ANNEXES

ADR SVILUPPO S.r.l. - Unipersonale

Date of incorporation	July 27, 2001
Tax Code and Companies' Register	Rome 06708221004
R.E.A.	Rome 984688
Registered office	00050 Fiumicino - Via dell'Aeroporto di Fiumicino, 320
Share capital	100,000 euros

100% of voting rights at Ordinary General Meeting

LA PIAZZA DI SPAGNA S.r.l.

Date of incorporation	December 17, 2003
Tax Code and Companies' Register	Rome 07754621006
R.E.A.	Rome 1053884
Registered office	00050 Fiumicino - Via dell'Aeroporto di Fiumicino, 320
Share capital	100,000 euros

49% of voting rights at Ordinary General Meeting

LIGABUE GATE GOURMET ROMA S.p.A. (insolvent)

Date of incorporation	November 20, 1997
Tax Code and Companies' Register	Venice 03016170270
Registered office	30030 Tessera (VE) - Marco Polo Airport
Share capital	103,200 euros represented by 20,000 shares with a par value of 5.16 euros each
Holding: 4,000 shares with voting rights at Ordinary General Meeting, amounting to 20%	

SOCIETÀ AEROPORTUALE CALABRESE - S.A.CAL. S.p.A.

Date of incorporation	February 23, 1990
Tax Code and Companies' Register	Catanzaro 01764970792
Registered office	Lamezia Terme (CZ) - Lamezia Terme Civil Airport
Share capital	7,755,000 euros represented by 15,000 shares with a par value of 517 euros each
Holding: 2,485 shares with voting rights at Ordinary General Meeting, amounting to 16.57%	

AEROPORTO DI GENOVA S.p.A.

Date of incorporation	February 12, 1985
Tax Code and Companies' Register	Genova 02701420107
Registered office	Genova Sestri - Passenger Terminal
Share capital	7,746,900 euros represented by 15,000 shares with a par value of 516.46 euros each
Holding: 2,250 shares with voting rights at Ordinary General Meeting, amounting to 15%	

AIRPORT INVEST B.V.

**RECLASSIFIED BALANCE SHEET
AND INCOME STATEMENT**

Company name

Airport Invest B.V.

Board of Directors

Chairman

Fabio Capozio

Directors

Luciano Acciari

J. C. W. Van Burg

J. P. Everwijn

Paul Schimtz

Independent Auditors

KPMG Accountants NV

AIRPORT INVEST BV/ANNEXES

Information about the subsidiary undertaking, Airport Invest B.V., is provided in the section "equity investments" in the Management Report on Operations.

RECLASSIFIED BALANCE SHEET (in thousand of euros)	12.31.2008	12.31.2007
A. - FIXED ASSETS	0	0
Trade payables	(22)	(31)
B. - WORKING CAPITAL	(22)	(31)
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	(22)	(31)
D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI)	0	0
E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI	(22)	(31)
financed by:		
Share capital	101	101
Reserves and retained earnings	3,402	3,317
Net income (loss) for the year	100	85
F. - SHAREHOLDERS' EQUITY	3,603	3,503
G. - MEDIUM/LONG-TERM BORROWING	0	0
H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)		
Short-term debt	0	0
Cash and current receivables	(3,625)	(3,534)
(G+H)	(3,625)	(3,534)
I. - TOTAL AS IN "E" (F+G+H)	(22)	(31)

RECLASSIFIED INCOME STATEMENT (in thousand of euros)

	2008	2007
A. - REVENUES	0	0
B. - REVENUES FROM ORDINARY ACTIVITIES	0	0
Cost of materials and external services	(49)	(57)
C. - GROSS MARGIN	(49)	(57)
Payroll costs	0	0
D. - EBITDA	(49)	(57)
Other income (expense), net	0	0
E. - EBIT	(49)	(57)
Financial income (expense), net	149	142
F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	100	85
Extraordinary income (expense), net	0	0
G. - INCOME BEFORE TAXES	100	85
Income taxes	0	0
H. - NET INCOME (LOSS) FOR THE YEAR	100	85

ADR ENGINEERING S.P.A.
UNIPERSONALE
RECLASSIFIED BALANCE SHEET
AND INCOME STATEMENT

Company name

ADR Engineering S.p.A.
Unipersonale

Board of Directors

(after the General Meeting and the Board of Director's Meeting of April 1, 2008)

Chairman

Marco Torsello

Mario Sisto *(until April 1, 2008)*

Directors

Carmine Bassetti

Giorgio Gregori

Secretary

Riccardo Affinita

Board of Statutory Auditors

(after the General Meeting of April 6, 2006)

Chairman

Antonio Mastrapasqua

Statutory Auditors

Pietro Cerasoli

Eugenio Lagomarsino

Alternate Auditors

Francesco Mariani

Guido Zavadini

Independent Auditors

Deloitte & Touche S.p.A.

ADR ENGINEERING SPA - UNIPERSONALE/ANNEXES

Information about the subsidiary undertaking, ADR Engineering S.p.A. - Unipersonale, is provided in the section "equity investments" in the Management Report on Operations.

RECLASSIFIED BALANCE SHEET (in thousand of euros)	12.31.2008	12.31.2007
Intangible fixed assets	136	89
Tangible fixed assets	75	74
A. - FIXED ASSETS	211	163
Inventory	4,597	5,870
Trade receivables	2,890	2,869
Other assets	201	233
Trade payables	(3,757)	(4,677)
Allowances for risks and charges	(61)	(9)
Other liabilities	(2,009)	(1,828)
B. - WORKING CAPITAL	1,861	2,458
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	2,072	2,621
D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI)	901	829
E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI	1,171	1,792
financed by:		
Share capital	775	775
Reserves and retained earnings	833	775
Net income for the year	538	619
F. - SHAREHOLDERS' EQUITY	2,146	2,169
G. - MEDIUM/LONG-TERM BORROWING	0	0
H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)		
Short-term debt	0	0
Cash and current receivables	(975)	(377)
(G+H)	(975)	(377)
I. - TOTAL AS IN "E" (F+G+H)	1,171	1,792

RECLASSIFIED INCOME STATEMENT (in thousand of euros)	2008	2007
A. - REVENUES	10,205	8,161
B. - REVENUES FROM ORDINARY ACTIVITIES	10,205	8,161
Cost of materials and external services	(4,939)	(3,678)
C. - CROSS MARGIN	5,266	4,483
Payroll costs	(4,082)	(2,943)
D. - EBITDA	1,184	1,540
Amortization and depreciation	(79)	(74)
Allowances for risks and charges	(51)	(9)
Other income (expense), net	(54)	(38)
E. - EBIT	1,000	1,419
Financial income (expense), net	30	(40)
Adjustments to financial assets	0	0
F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	1,030	1,379
Extraordinary income (expense), net	24	(15)
G. - INCOME BEFORE TAXES	1,054	1,364
Current taxes for the year	(533)	(756)
Deferred tax assets (liabilities) for the year	17	11
	(516)	(745)
H. - NET INCOME FOR THE YEAR	538	619

ADR ASSISTANCE S.R.L.
UNIPERSONALE
RECLASSIFIED BALANCE SHEET
AND INCOME STATEMENT

Company name

ADR Assistance S.r.l.
Unipersonale

(incorporated on June 23, 2008)

Sole Director

Giosuè Cammareri

Board of Statutory Auditors

(after the General Meeting of August 5, 2008)

Chairman

Alberto Dello Strologo

Statutory Auditors

Fernando Pergolini

Antonio Rivelli

Alternate Auditors

Pietro Cerasoli

Eugenio Lagomarsino

Independent Auditors

Deloitte & Touche S.p.A.

ADR ASSISTANCE SRL - UNIPERSONALE/ANNEXES

Information about the subsidiary undertaking, ADR Assistance S.r.l. - Unipersonale, is provided in the section "equity investments" in the Management Report on Operations.

RECLASSIFIED BALANCE SHEET (in thousand of euros)	12.31.2008
Intangible fixed assets	714
Tangible fixed assets	1,816
A. - FIXED ASSETS	2,530
Inventories	0
Trade receivables	6,278
Other assets	181
Trade payables	(4,614)
Allowances for risks and charges	(123)
Other liabilities	(1,478)
B. - WORKING CAPITAL	244
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	2,774
D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI)	45
E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI	2,729
financed by:	
Share capital	6,000
Reserves and retained earnings	0
Net income (loss) for the year	(653)
F. - SHAREHOLDERS' EQUITY	5,347
G. - MEDIUM/LONG-TERM BORROWING	0
H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)	
Short-term debt	0
Cash and current receivables	(2,618)
(G+H)	(2,618)
I. - TOTAL AS IN "E" (F+G+H)	2,729

RECLASSIFIED INCOME STATEMENT (in thousand of euros)

2008

A. - REVENUES	5,335
B. - REVENUES FROM ORDINARY ACTIVITIES	5,335
Cost of materials and external services	(1,100)
C. - CROSS MARGIN	4,235
Payroll costs	(4,369)
D. - EBITDA	(134)
Amortization and depreciation	(392)
Other provisions	(123)
Other income (expense), net	7
E. - EBIT	(642)
Financial income (expense), net	3
Adjustments to financial assets	0
F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	(639)
Extraordinary income (expense), net	0
G. - INCOME BEFORE TAXES	(639)
Current taxes for the year	(185)
Deferred tax assets (liabilities) for the year	171
	(14)
H.- NET INCOME (LOSS) FOR THE YEAR	(653)

ADR TEL S.P.A.

**RECLASSIFIED BALANCE SHEET
AND INCOME STATEMENT**

Company name ADR Tel S.p.A.

Board of Directors

(after the General Meetings of April 13, 2007 and April 7, 2008)

Chairman Mario de Gennaro (*from April 7, 2008*)
Marco Torsello (*until April 7, 2008*)

Directors Antonio Abbate
Andrea Pontecorvo

Secretary Riccardo Affinita

Board of Statutory Auditors

(after the General Meeting of April 7, 2008)

Chairman Alberto Dello Strologo (*from April 7, 2008*)
Renato Colavolpe (*until April 7, 2008*)

Alternate Auditors Pietro Cerasoli
Eugenio Lagomarsino (*from April 7, 2008*)
Guido Zavadini (*until April 7, 2008*)

Independent Auditors

ADR TEL SPA/ANNEXES

Information about the subsidiary undertaking, ADR Tel S.p.A., is provided in the section "equity investments" in the Management Report on Operations.

RECLASSIFIED BALANCE SHEET (in thousand of euros)	12.31.2008	12.31.2007
Intangible fixed assets	4,917	4,830
Tangible fixed assets	441	453
A. - FIXED ASSETS	5,358	5,283
Trade receivables	3,546	4,051
Other assets	291	60
Trade payables	(4,295)	(3,395)
Allowances for risks and charges	(18)	0
Other liabilities	(1,073)	(1,689)
B. - WORKING CAPITAL	(1,549)	(973)
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	3,809	4,310
D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI)	456	452
E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI	3,353	3,858
financed by:		
Share capital	600	600
Reserves and retained earnings	1,649	1,613
Net income (loss) for the year	687	564
F. - SHAREHOLDERS' EQUITY	2,936	2,777
G. - MEDIUM/LONG-TERM BORROWING	0	0
H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)		
Short-term debt	707	1,352
Cash and current receivables	(290)	(271)
(G+H)	417	1,081
I. - TOTAL AS IN "E" (F+G+H)	3,353	3,858

RECLASSIFIED INCOME STATEMENT (in thousand of euros)

	2008	2007
A. - REVENUES	11,526	9,591
Capitalized costs and expenses	0	81
B. - REVENUES FROM ORDINARY ACTIVITIES	11,526	9,672
Cost of materials and external services	(7,552)	(5,581)
C. - GROSS MARGIN	3,974	4,091
Payroll costs	(1,183)	(1,419)
D. - EBITDA	2,791	2,672
Amortization and depreciation	(1,439)	(1,398)
Other provisions	(46)	(13)
Provisions for risks and charges	(18)	0
Other income (expense), net	(98)	(74)
E. - EBIT	1,190	1,187
Financial income (expense), net	(67)	(79)
F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	1,123	1,108
Extraordinary income (expense), net	4	(2)
G. - INCOME BEFORE TAXES	1,127	1,106
Current taxes for the year	(469)	(525)
Deferred tax assets (liabilities) for the year	29	(17)
	(440)	(542)
H. - NET INCOME (LOSS) FOR THE YEAR	687	564

ADR ADVERTISING S.P.A.

**RECLASSIFIED BALANCE SHEET
AND INCOME STATEMENT**

Company name ADR Advertising S.p.A.

Board of Directors

(after the General Meeting and the Board of Director's Meeting of April 13, 2007)

Chairman Emanuele Ludovisi

Managing Director Fabrizio Du Chene De Vere

Directors Andrea Belardini

Mario de Gennaro

Andrea Ghisolfi

Andrea Ghisolfi

Secretary Riccardo Affinita

Board of Statutory Auditors

(after the General Meeting of March 22, 2006)

Chairman Giancarlo Russo Corvace

Statutory Auditors Angelo Caso (until July 14, 2008)

Pietro Cerasoli (*from July 14, 2008*)

Guido Croci

Alternate Auditors Marco Baccani

Pietro Cerasoli (until July 14, 2008)

General Manager Sandro Loretí

Independent Auditors Reconta Ernst & Young S.p.A.

ADR ADVERTISING SPA/ANNEXES

Information about the subsidiary undertaking, ADR Advertising S.p.A., is provided in the section "equity investments" in the Management Report on Operations.

RECLASSIFIED BALANCE SHEET (in thousand of euros)	12.31.2008	12.31.2007
Intangible fixed assets	2	1
Tangible fixed assets	1,699	1,432
Non-current financial assets	3	4
A. - FIXED ASSETS	1,704	1,437
Trade receivables	9,593	10,214
Other assets	2,438	2,204
Trade payables	(9,104)	(8,976)
Allowances for risks and charges	(89)	(79)
Other liabilities	(1,067)	(1,050)
B. - WORKING CAPITAL	1,771	2,313
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	3,475	3,750
D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI)	205	185
E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI	3,270	3,565
financed by:		
Share capital	1,000	1,000
Reserves and retained earnings	243	238
Net income (loss) for the year	777	1,325
F. - SHAREHOLDERS' EQUITY	2,020	2,563
G. - MEDIUM/LONG-TERM BORROWING	0	0
H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)		
Short-term debt	1,500	1,100
Cash and current receivables	(250)	(98)
(G+H)	1,250	1,002
I. - TOTAL AS IN "E" (F+G+H)	3,270	3,565

RECLASSIFIED INCOME STATEMENT (in thousand of euros)

	2008	2007
A. - REVENUES	24,840	25,172
B. - REVENUES FROM ORDINARY ACTIVITIES	24,840	25,172
Cost of materials and external services	(22,143)	(21,528)
C. - CROSS MARGIN	2,697	3,644
Payroll costs	(885)	(862)
D. - EBITDA	1,812	2,782
Amortization and depreciation	(353)	(266)
Other provisions	(48)	(91)
Provisions for risks and charges	(10)	(17)
Other income (expense), net	(129)	(85)
E. - EBIT	1,272	2,323
Financial income (expense), net	(61)	(29)
F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	1,211	2,294
G. - INCOME BEFORE TAXES	1,211	2,294
Income taxes	(434)	(974)
Deferred tax assets (liabilities) for the year	0	5
	(434)	(969)
H. - NET INCOME (LOSS) FOR THE YEAR	777	1,325

A D R S V I L U P P O S. R. L.
U N I P E R S O N A L E

**RECLASSIFIED BALANCE SHEET
AND INCOME STATEMENT**

Company name

ADR Sviluppo S.r.l.
Unipersonale

(after the General Meeting of March 14, 2008)

Sole Director

Antonio Abbate *(from March 14, 2008)*

Fabio Capozio *(until March 14, 2008)*

ADR SVILUPPO SRL - UNIPERSONALE/ANNEXES

Information about the subsidiary undertaking, ADR Sviluppo S.r.l. - Unipersonale, is provided in the section "equity investments" in the Management Report on Operations.

RECLASSIFIED BALANCE SHEET (in Euros)	12.31.2008	12.31.2007
Intangible fixed assets	4,141	4,141
Non-current financial assets	6,000	6,000
A. - FIXED ASSETS	10,141	10,141
Other assets	2,888	1,542
B. - WORKING CAPITAL	2,888	1,542
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	13,029	11,683
D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI)	0	0
E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI	13,029	11,683
financed by:		
Share capital	100,000	100,000
Reserves and retained earnings	1,223	(4,366)
Net income (loss) for the year	4,209	5,589
F. - SHAREHOLDERS' EQUITY	105,432	101,223
G. - MEDIUM/LONG-TERM BORROWING	0	0
H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)	0	0
Short-term debt		
Cash and current receivables	(92,403)	(89,540)
(G+H)	(92,403)	(89,540)
I. - TOTAL AS IN "E" (F+G+H)	13,029	11,683

RECLASSIFIED INCOME STATEMENT (in Euros)	2008	2007
A. - REVENUES	0	0
B. - REVENUES FROM ORDINARY ACTIVITIES	0	0
Cost of materials and external services	(2,354)	(654)
C. - CROSS MARGIN	(2,354)	(654)
D. - EBITDA	(2,354)	(654)
Other income (expense), net	(1,286)	(498)
E. - EBIT	(3,640)	(1,152)
Financial income (expense), net	7,558	6,488
F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	3,918	5,336
Extraordinary income (expense), net	(11)	(18)
G. - INCOME BEFORE TAXES	3,907	5,318
Income taxes	302	271
H. - NET INCOME (LOSS) FOR THE YEAR	4,209	5,589

LA PIAZZA DI SPAGNA S.R.L.

**RECLASSIFIED BALANCE SHEET
AND INCOME STATEMENT**

RECLASSIFIED BALANCE SHEET (in Euros)

	12.31.2008	12.31.2007
Intangible fixed assets	7,087	7,087
A. - FIXED ASSETS	7,087	7,087
Other assets	1,532	1,601
Other liabilities	(605)	0
B. - WORKING CAPITAL	927	1,601
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	8,014	8,688
D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI)	0	0
E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI	8,014	8,688
financed by:		
Paid-up capital (*)	30,000	30,000
Reserves and retained earnings	(9,050)	(6,920)
Net income (loss) for the year	(2,285)	(2,130)
F. - SHAREHOLDERS' EQUITY	18,665	20,950
G. - MEDIUM/LONG-TERM BORROWING	0	0
H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)		
Short-term debt	0	0
Cash and current receivables	(10,651)	(12,262)
(G+H)	(10,651)	(12,262)
I. - TOTAL AS IN "E" (F+G+H)	8,014	8,688

() Share capital
of 100,000 euros,
net of the amounts due
from shareholders for
unpaid called-up capital,
totaling 70,000 euros.*

RECLASSIFIED INCOME STATEMENT (in Euros)

	2008	2007
A. - REVENUES	0	0
B. - REVENUES FROM ORDINARY ACTIVITIES	0	0
Cost of materials and external services	(1,561)	(1,556)
C. - GROSS MARGIN	(1,561)	(1,556)
D. - EBITDA	(1,561)	(1,556)
Other income (expense), net	(948)	(808)
E. - EBIT	(2,509)	(2,364)
Financial income (expense), net	224	252
F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	(2,285)	(2,112)
Extraordinary income (expense), net	0	(18)
G. - INCOME BEFORE TAXES	(2,285)	(2,130)
Income taxes	0	0
H. - NET INCOME (LOSS) FOR THE YEAR	(2,285)	(2,130)

**REPORT OF THE BOARD
OF STATUTORY AUDITORS**

*(Translation from
the original issued
in Italian)*

Report of the Board of Statutory Auditors to the Ordinary General Meeting of the Shareholders of Aeroporti di Roma S.p.A., pursuant to art. 2429 of the Italian Civil Code.

Dear Shareholders,

During the year ended December 31, 2008 we verified compliance with the law, the articles of association and the principles of good governance, applying the recommendations laid down in the regulations for Statutory Auditors established by the Italian Accounting Profession.

We attended the General Meeting and fourteen Board of Directors' Meetings held during the year, which were conducted in compliance with the related statutory requirements, laws and regulations.

We obtained information from the Directors regarding the overall operating performance and outlook, and on the most significant transactions, in terms of size or nature, carried out by the Company. We can, therefore, provide reasonable assurances that both the resolutions passed and the actions implemented complied with the law and the articles of association, and that they were not manifestly imprudent or risky, and did not involve a conflict of interest or compromise the value of the Company's assets.

Our discussions with the auditors engaged to carry out the Company's accounting controls did not reveal significant aspects or information to be included in this Report.

We also had meetings with the head of the Supervisory Board, following adoption of the "Organizational, management and control model", pursuant to Legislative Decree no. 231/2001. After year end, the Company's Board of Directors approved revision of the "model to include new cases of predicate offenses, pursuant to current legislation".

We have assessed and verified the adequacy of the administrative and accounting systems, and the reliability of such accounting systems to provide a fair view of operations, via the gathering of information from the Managers of the various functions and from the auditors engaged to carry out the Company's accounting controls, and via examination of corporate documents. We have no particular observations to make in this regard.

In carrying out our checks, we also examined certain previously implemented company procedures, noting that the Company has acted in accordance with such procedures.

We have not received any reports pursuant to art. 2408 of the Italian Civil Code.

We have examined the Financial Statements for the year ended December 31, 2008. In view of the fact that the

REPORT OF THE BOARD OF STATUTORY AUDITORS - ADR SPA

accounts were audited by Deloitte & Touche S.p.A., we have verified the general presentation and overall compliance with the laws relating to form and content. We have no particular observations to make in this regard.

We have also checked that the Management Report on Operations has been prepared in accordance with the related regulations. In this respect, we note that, pursuant to art. 2428 of the Italian Civil Code as amended by Legislative Decree no. 32 of February 2, 2007, the Company has reported an analysis of the risk factors that it may be subject to. As far as we are aware, in preparing the Financial Statements the Directors did not apply the exemptions permitted by art. 2423, paragraph four of the Italian Civil Code.

We have verified that the Financial Statements are consistent with the disclosures and information communicated to us in the course of carrying out our duties, and we have no observations to make in this regard.

The Consolidated Financial Statements of Group Aeroporti di Roma for the year ended December 31, 2008 have been prepared in compliance with the provisions of Legislative Decree no. 127 of April 9, 1991. The Management Report on Operations has been prepared in accordance with the provisions of art. 2428 of the Italian Civil Code and art. 40 of the above Legislative Decree no. 127/1991.

Dear Shareholders,

The Independent Auditors, Deloitte & Touche S.p.A., have issued "Reports" on the Separate and Consolidated Financial Statements, and have no particular observations to make in this regard. In view of the above, we invite you to approve the Financial Statements for the year ended December 31, 2008, as prepared by the Board of Directors, and agree on means for covering the net loss reported for 2008.

Dear Shareholders,

With this Meeting, the term of office of the three Directors co-opted pursuant to art. 2386 of the Italian Civil Code, at the Meeting held on March 11, 2009, expires. We therefore invite you to elect new Directors.

Fiumicino, Italy - March 31, 2009

THE BOARD OF STATUTORY AUDITORS

Giacinto Chimenti - Chairman

Giuseppe Cappella - Statutory Auditor

Alessandro Grange - Statutory Auditor

Mario Tonucci - Statutory Auditor

Luigi Tripodo - Statutory Auditor

**REPORT OF THE
INDEPENDENT
AUDITORS**

Deloitte.

AUDITORS' REPORT PURSUANT TO ART. 156 AND 165 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998

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To the Shareholders of AEROPORTI DI ROMA S.p.A.

1. We have audited the financial statements of Aeroporti di Roma S.p.A. (the "Company") as of December 31, 2008. These financial statements prepared in accordance with the Italian law governing financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the prior year's financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report issued on March 31, 2008.

3. In our opinion, the financial statements present fairly the financial position of Aeroporti di Roma S.p.A. as of December 31, 2008, and the results of its operations for the year then ended in accordance with the Italian law governing financial statements.
4. The Company's Directors are responsible for the preparation of the Management Report on Operations in accordance with the applicable law. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by art. 156, paragraph 4-bis, letter d), of the Legislative Decree 58/98. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Report on Operations is consistent with the financial statements of Aeroporti di Roma S.p.A as of December 31, 2008.

DELOITTE & TOUCHE S.p.A.

Signed by
Domenico Falcone
Partner

Rome, Italy
March 30, 2009

This report has been translated into the English language solely for the convenience of international readers.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Perugia
Roma Torino Treviso Verona

Member of
Deloitte Touche Tohmatsu

Sede Legale: Via Tortona, 25 - 20144 Milano - Capitale Sociale: Euro 10.328.220,00 i.v.
Partita IVA/Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239

RESOLUTIONS
OF THE GENERAL MEETING
OF SHAREHOLDERS
DATED APRIL 15, 2009

RESOLUTIONS OF THE GENERAL MEETING OF SHAREHOLDERS - ADR SPA

The General Meeting:

*(Translation from
the original issued
in Italian)*

- approve the Board of Directors' Management Report on Operations and the Financial Statements for the year ended December 31, 2008, which report a net loss of 7,047,939.22 euros; the loss has been absorbed by the use of "retained earnings", which, as a result, have been reduced to 16,766,361.71 euros;
- elected Valerio Bellamoli, Stefano Cao and Marco Troncone to serve as Directors of the Company until expiry of the term of office of the current Board of Directors.

Graphic project:

Roberto Conti

Photography to care of:

Virginio Favale
Archivio ADR S.p.A.

Publishing realization:

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